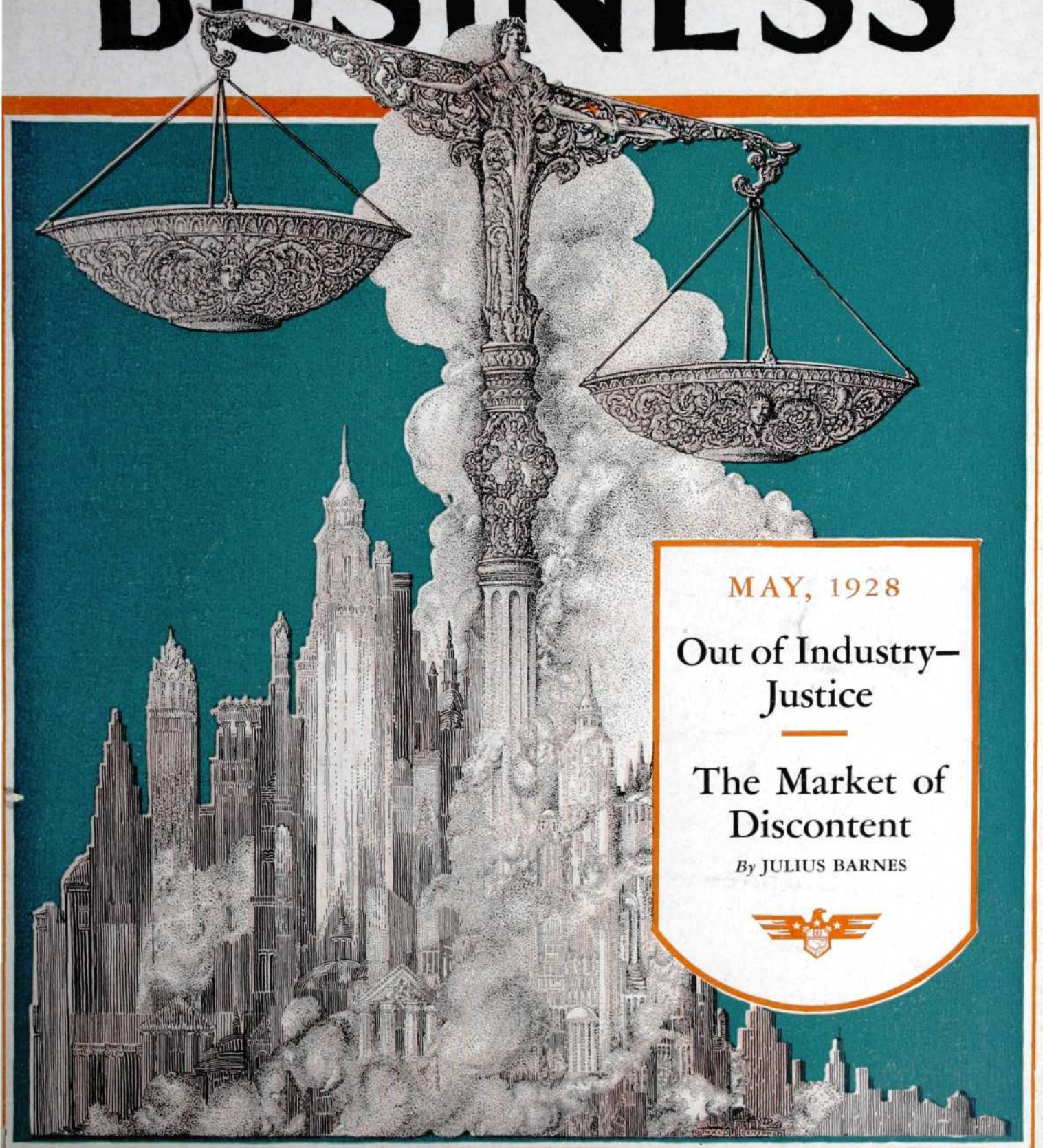
NATION'S BUSINESS



MAY, 1928

Out of Industry—Justice

The Market of Discontent

By JULIUS BARNES

MORE THAN A QUARTER MILLION CIRCULATION

Shorter Hauls Speed Delivery

THE STREAM OF BUSINESS FLOWS FASTER AND FASTER. Reserve material stocks are a thing of the past. Tomorrow's outgoing shipments of your product must be replaced with today's incoming materials — including Shipping Boxes.

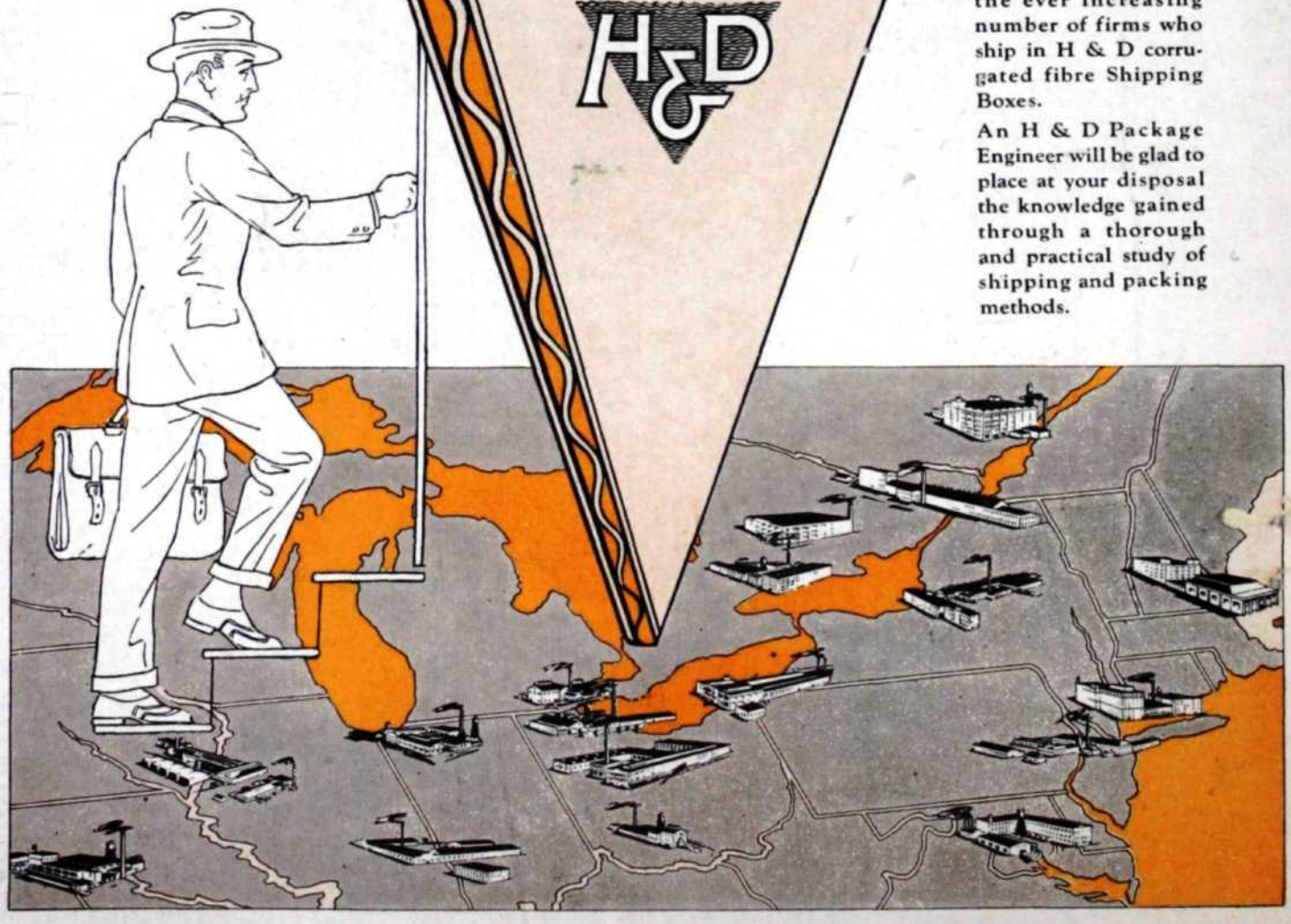
Twenty H & D corrugated fibre Shipping Box and packaging material plants are located to serve you with speed and economy. Speed, because their nearness and ample facilities enable quick delivery. Economy, because shorter hauls reduce transportation costs.

THE HINDE & DAUCH PAPER CO.
304 Decatur Street · · Sandusky, Ohio
H & D are the largest producers of Corrugated Fibre Shipping Boxes and packaging materials in the world.

H&D

Only a satisfactory Shipping Box, properly designed, carefully built and punctually delivered, can account for the ever increasing number of firms who ship in H & D corrugated fibre Shipping Boxes.

An H & D Package Engineer will be glad to place at your disposal the knowledge gained through a thorough and practical study of shipping and packing methods.



INDUSTRIAL BUILDINGS by TRUSCON

SECTIONAL ROLL CALL

PARTIAL LIST

ALABAMA
Galena Signal Oil Co.
General Oil Corp.

CALIFORNIA
Calaveras Cement Co.
Southern Pacific Co.

CONNECTICUT
The New Haven Clock Co.
N. Y., N. H. & H. R. R.

FLORIDA
Munson Steamship Line
Tampa & Gulf Coast R. R.

ILLINOIS
Commonwealth-Edison Co.
Kewanee Boiler Co.
The Wabash Railway Co.
Western Clock Co.

INDIANA
Aladdin Manufacturing Co.
American Foundry Co.

IOWA
Am. Railway Express Co.
Quinn Wire & Iron Works

LOUISIANA
Columbian Gasoline Corp.
Interstate Natural Gas Co.
Southern Carbon Co.

MAINE
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The Jordan Motor Car Co.
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Gypsy Oil Co.
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Baldwin Locomotive Wks.
Carnegie Steel Co.
Continental Rubber Works
Hammermill Paper Co.
Lycoming Mfg. Co.

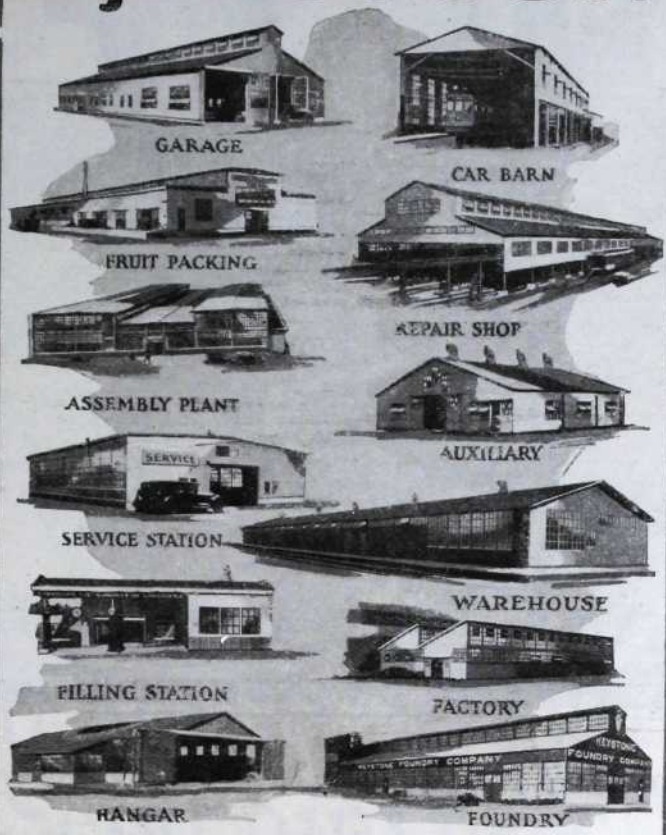
RHODE ISLAND
Rumford Chemical Works
Wakefield Textile Co.

TEXAS
Atlantic Gulf & Pacific Co.
Central Power & Lt. Corp.
Galena Signal Oil Co.

VIRGINIA
Amer. Locomotive Co.
Appalachian Power Co.
Newport News Shipbldg.

WEST VIRGINIA
Chelsea China Co.
Owens Bottle Co.

WISCONSIN
Armour Leather Co.
Marathon Paper Mills Co.



FOR any one-story industrial building, you will find in Truscon Buildings the exact type, size and arrangement you require. You can call in a Truscon Engineer for suggestions, layouts and estimates, securing the benefits of 25 years' experience in all phases of building.

You obtain a permanent, fireproof building with steel windows and doors, and with a steeldeck roof, insulated against summer heat and winter cold. The moderate cost of Truscon Buildings insures the maximum value for your investment, and their speedy erection starts your earnings quickly.

Send for complete information and literature given to you without obligation.

TRUSCON STEEL COMPANY, YOUNGSTOWN, OHIO

Manufacturers and Engineers • • Offices in All Principal Cities

Foreign Trade Division, 90 West St., New York City
Trussed Concrete Steel Co. of Canada, Limited, Walkerville, Ontario
The Truscon Laboratories, Detroit, Mich.

Truscon Steel Co., Youngstown, Ohio
Please send me without obligation, literature and suggestions for a building to be used for_____

Approximate size_____
Length Width Height

*Firm Name*_____

*Individual*_____

*Address*_____

NB 5-28

WHAT OUR USERS SAY:

Whittier Mills Company, Chattahoochee, Ga.

"The steeldeck roof which is insulated eliminates all condensation even though we average an inside humidity of 70."

Charles M. Schwab, Loretto, Pa.

"The Cambria County Fair management informs me they are greatly pleased with the building and its prompt erection."

Chester C. Fosgate Co., Inc. Orlando, Fla.

"The building is ideal for our industry, not only for the light and ventilation, but for the cool, even temperature in the building."

Lycoming Manufacturing Co., Williamsport, Pa.

"We want to express our appreciation of your help not only in the preliminary layout work, but in the efficient and speedy manner in which the material was delivered and the buildings erected."

Pittsburgh Plate Glass Co. Elwood, Ind.

"We are very much pleased with the several buildings which the Truscon Steel Company has erected for us."

Beech-Nut Packing Company, Canajoharie, N. Y.

"The Truscon Building 40x150 feet as erected at the north of the Beech-Nut Company Ginger Ale Plant is satisfactory in every respect."

General Electric Company, Schenectady, N. Y.

"You completed the erection of four pattern storage buildings at Schenectady in accordance with the contract. As far as we can see the work is very satisfactory."

Seneca Coal Mining Company, Buffalo, N. Y.

"The steel building just completed to house our M. G. sets and electric compressor is just what we wanted, and we are highly pleased with it."

The Whitehead & Hoag Co., Newark, N. J.

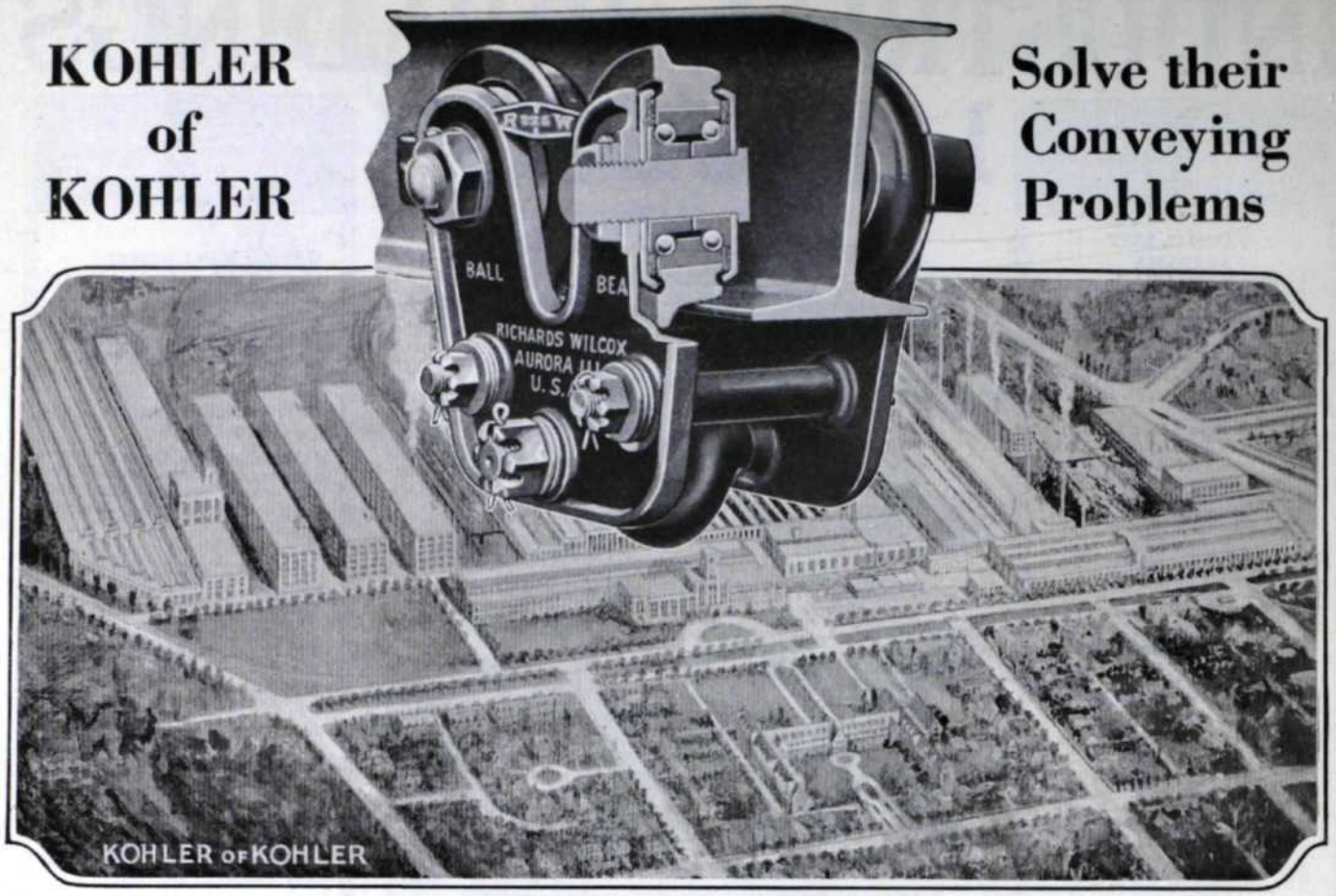
"We are pleased to advise that the steel building purchased from you is very satisfactory."

Aladdin Manufacturing Co., Muncie, Ind.

"Today is November 5th, and our Truscon Building 160 feet long and 60 feet wide, which we ordered from you after our old building was destroyed by fire on September 4th, or just two months ago, is satisfactorily completed."

Nation's Business is published on the 30th of every month by the Chamber of Commerce of the United States, Washington, D. C. Subscription price $3.00 a year; $7.50 three years; 25 cents a copy. Entered as second-class matter March 20, 1920, at the Post Office at Washington, D. C., under the Act of March 3, 1879.

KOHLER of KOHLER Solve their Conveying Problems



They Report That:

"After exhaustive tests under heavy usage and the most trying conditions we installed R-W Ball-Bearing trolleys in our foundry for conveying molten iron.

They proved so satisfactory that we later extended the OveR-Way system and installed more R-W trolleys to convey castings from the moulding floor to the grinding room.

We have recently added more trolleys in our pottery and the OveR-Way system is now so flexible that iron castings and both green and finished ware can be speedily delivered to any point during its process of manufacture.

The R-W Ball-Bearing trolleys run easily, there is no trouble turning corners and they have proved so thoroughly satisfactory under heavy usage that we have recently purchased several hundred more of these trolleys to take care of increasing capacity."

R-W Ball-Bearing trolleys will prove their superiority to any manufacturer who will test them at our expense—thousands have been shipped on free trial and not a one returned. Write about free-trial offer.

Richards-Wilcox Mfg. Co.

"A Hanger for any Door that Slides."

New York · · · AURORA, ILLINOIS, U.S.A. · · · Chicago

Boston Philadelphia Cleveland Cincinnati Indianapolis St. Louis New Orleans Des Moines Minneapolis Kansas City Los Angeles San Francisco Omaha Seattle Detroit

Montreal · RICHARDS-WILCOX CANADIAN CO., LTD., LONDON, ONT. · Winnipeg

(935)



"Out of stock? Who *let* us run out . . . and *why*? Send him here!"

"GREAT Scott! Don't you fellows realize that a few dollars' worth of solder can hold up $50,000 worth of production? I want to see the man who's responsible, understand? There is some method that will positively prevent this sort of thing and I am going to find it."

* * * *

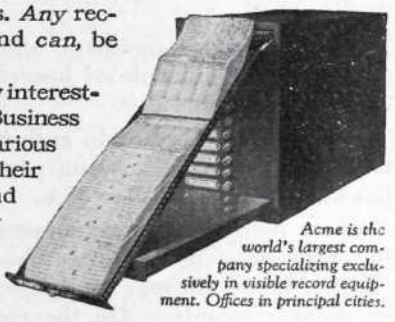
Production and stock problems are perfectly simple if you have good records—records that take a hand in affairs on their own account and don't *allow* anything to be overlooked or forgotten.

Such are Acme Visible Records. They put every vital fact out in the open where it can't be overlooked. Bright colored signals flash warnings on low stocks or slow production. Anyone can see at a glance where matters stand and what requires action.

There's no need to upset your system of production follow-up. Your present methods can be transferred to Acme equipment smoothly, easily, quickly. And once done, production "jams" just won't occur.

Of course production and stock records are only two phases of the record problems which Acme can solve for you. There is no limit to Acme's usefulness. *Any* record today should, and *can*, be visualized.

Our extraordinarily interesting book "Profitable Business Control" tells how various leading firms handle their records *visibly* and therefore *accurately* and *safely*. Mail the coupon without obligation for *your* copy.



Acme is the world's largest company specializing exclusively in visible record equipment. Offices in principal cities.

ACME VISIBLE RECORDS

ACME CARD SYSTEM COMPANY N.B. 5-28
116 South Michigan Avenue, Chicago
Gentlemen:

☐ You may send me your book "Profitable Business Control"

☐ You may send your nearest representative to me

☐ Please write me concerning your system for handling_____ records.

NAME_____

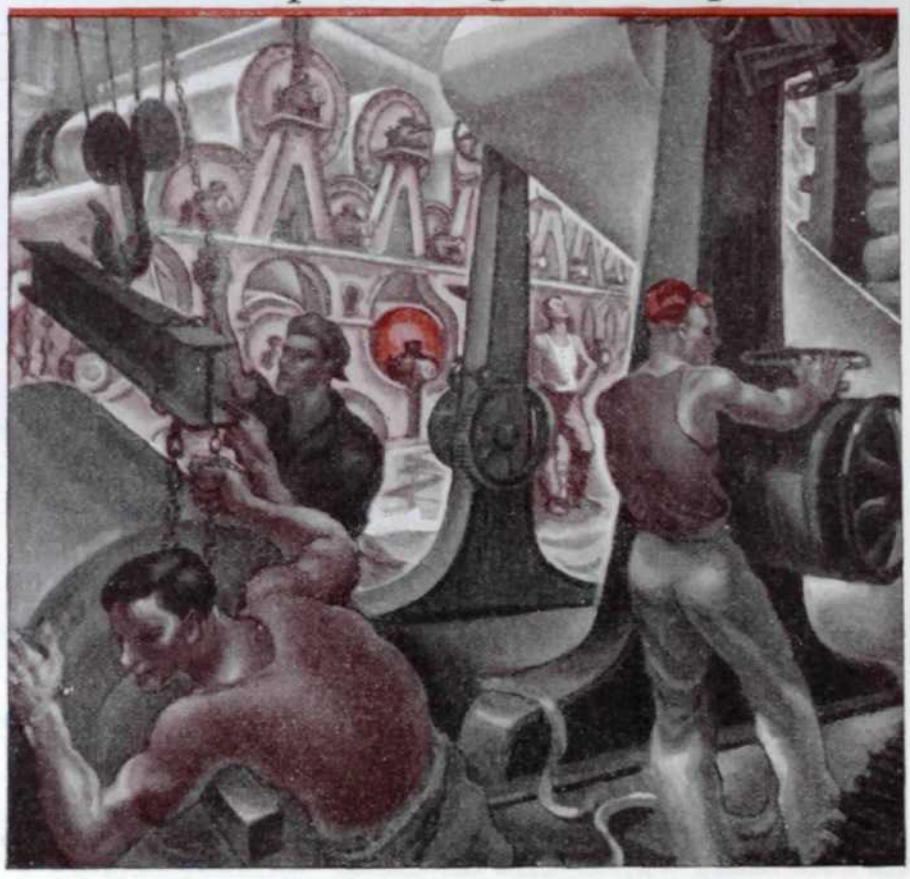
FIRM NAME_____

CITY_____ STATE_____

How manufacturing skill is bringing down costs . . .



—in Paper Making, for example



Newer methods beckon

The paper-making industry offers an interesting example of lowered manufacturing costs.

Since 1920, according to authorities, the cost of fabricating paper has been reduced 10% to 15%.

These reductions in manufacturing costs have not resulted from cheaper labor, cheaper equipment, or cheaper supplies. On the contrary, they have been brought about through *better* equipment and *better* supplies coupled with *better* methods.

For example: Leading paper makers report that they have markedly cut down interruptions to production through the use of Gargoyle Lubricating Oils and the correct lubricating methods introduced by the Vacuum Oil Company.

These manufacturers also report power savings, reduced repairs and economy of oil consumption through correct lubrication.

The same results can probably be accomplished in your plant, in whatever industry you are engaged.

Probably no one thing in plant operation is more important in maintaining production than correct lubrication—nor more often unconsciously slighted.

Simply buying good oil will not bring down manufacturing costs. Individual operating conditions must be studied. Then oils which fit *exactly* the needs of the machinery must be installed and applied by the correct method.

A letter addressed to us will bring an experienced representative, who will, at your convenience, go more fully into the subject.

GARGOYLE

Lubricating Oils

The world's quality oils for plant lubrication

Vacuum Oil Company

HEADQUARTERS: 61 BROADWAY, NEW YORK

BRANCHES AND DISTRIBUTING WAREHOUSES THROUGHOUT THE COUNTRY

When writing to Vacuum Oil Company *please mention Nation's Business*

This Month and Next

NATION'S BUSINESS, wrote a reader, doesn't tell me what to do—but what to expect.

A fine description of what this magazine seeks to do—to point out the change in the business weather before it is felt.

That's the outstanding thing that Julius H. Barnes does in his article, "The Market of Discontent." We are entering a new phase of business, a phase characterized by a demand not merely for more things but for better things. In the understanding of that lies the hope of the small manufacturer. Therein too lies an answer to our farm problem.



Julius Barnes

"What's Knute Rockne got to do with business?" asked a man who was looking over proof sheets of this issue. "A fair question," said the editor, "and here's the answer. Football, as Rockne runs it, is an outstanding proof of the value of team play and business is learning that the grand stand player must give way to the man who works with his neighbor for the good of each other and and the good of all. Sound sense talked by a picturesque figure in American life."



Knute Rockne

Once we talked of "filling orders" as if factory wheels waited to move until goods were sold; now we talk of intensive selling as if the impulse of manufacture once began with the buyer and now begins with the maker, who forces the seller to sell to the buyer who is made to buy. Perhaps it does and perhaps that is why we hear talk of "vice of social oversaving." Professor Thomas Nixon Carver, one of the school of economists who are rescuing that science from the title of "dismal" discusses this subject in "Is Thrift Still a Virtue?"



Nixon Carver

Why do communities ever look askance at the chain store? Two reasons chiefly, that the chain stores take money from the community without returning an equivalent and that they are not community-minded, caring nothing for the development of the town. Ten leaders in the chain store industry write their answers to these charges in "The Chain Store and Your Community."

VOLUME SIXTEEN NUMBER FIVE

NATION'S BUSINESS

Published Monthly by the Chamber of Commerce of the United States, Washington, D. C.

MORE THAN A QUARTER MILLION CIRCULATION

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As the official magazine of the National Chamber this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers to which expression is given.



Far Reaching Service

A New York company had an option on a tract of land in a remote section of North Carolina. Another company wished to buy the property. Shortly before the expiration of the option, it was learned that the owners, who were mountaineers, would accept payment in gold or gold certificates only.

Representatives of the New York company enlisted the services of the American Exchange Irving Trust Company. This bank requested its North Carolina correspondent bank nearest the location to supply the gold certificates. But the correspondent did not have the necessary amount.

Telephone and telegraph were pressed into service. In a short time the required currency was found in another correspondent bank 200 miles away. This bank rushed the necessary supply to the scene of action before the option expired. The deal was consummated to the entire satisfaction of the New York company.

The facilities and wide contacts of the American Exchange Irving prove valuable to customers when swift, sure action is necessary.

OUT-OF-TOWN OFFICE

AMERICAN EXCHANGE
IRVING TRUST COMPANY

Woolworth Building, New York

When writing to AMERICAN EXCHANGE IRVING TRUST COMPANY *please mention Nation's Business*

Secretary of the Interior, Hubert Work, deals from many angles with our national resources. What he says on "Utilizing Our National Wealth" is worth listening to and doubly so since his is a businesslike point of view free from socialism and sentiment.

Why do we constantly hear of our economics in mass production and our wastes in mass distribution? Julius Klein, chief of the Bureau of Foreign and Domestic Commerce, has part of the answer in "The Shameful Waste in Business."



Julius Klein

"A Congressman," said a deep thinker, "should never be sent to Congress until after he has served three terms." It is true that "congressing" is a trade that must be learned like plumbing, editing or banking. Representative Hull of Illinois told James L. Wright of the *Buffalo News* how he learned the trade and Mr. Wright has told it to the readers of NATION'S BUSINESS.

A human man in an inhuman job, that's J. R. McCarl; a human man who went through the depths and came up with his smiling faith in humanity unchanged, that's Frank A. Seiberling. The story of McCarl, "J. R. McCarl, the Government's Professional Tightwad," gives a why of government and its difference in method from private business. The story of Seiberling a study in friendship, showing a why of business success.



Hubert Work

"Why bother me with foreign trade," asked a grower of beef cattle, and Merle Thorpe tells him why in "When the Steer Goes to Market." And there are other things: James H. Collins' gay philosophy about business offices, Clifford Reeves' explanation of the real work done by employe magazines, Raymond Willoughby's setting forth of the businesslike ways of aviation, Berton Braley's vivid account of what goes on at the aerodrome, Robert Duke's satirical exposure of the grafters on business.



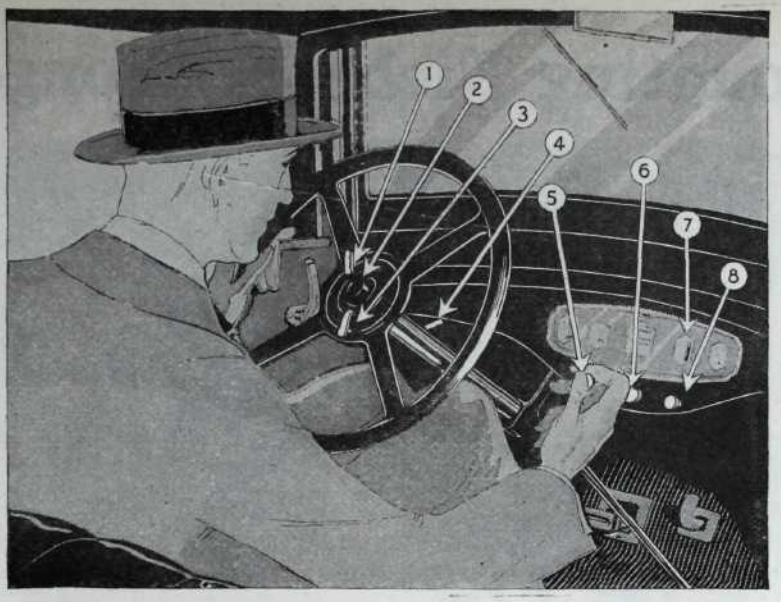
William E. Hull

What's ahead for June? One thing worthwhile is a discussion of the overproduction that is troubling the hotel industry. The preparation of this article was one of the last things finished by E. M. Statler before his lamentable death.

A manufacturer has a story of advertising that isn't the regular story of advertising. He tried it and it didn't work and he wants to know why. Read the talk that C. D. Garretson, president of the Electric Hose and Rubber Company, had with James True.

Simple, Compact and Convenient

1. Light Control
2. Horn button
3. Throttle
4. Radiator shutter control



Simple, Compact and Convenient

5. Starter
6. Electro-lock
7. Gasoline gauge
8. Choke

More Than Mere Transportation

...yet the lowest cost per mile

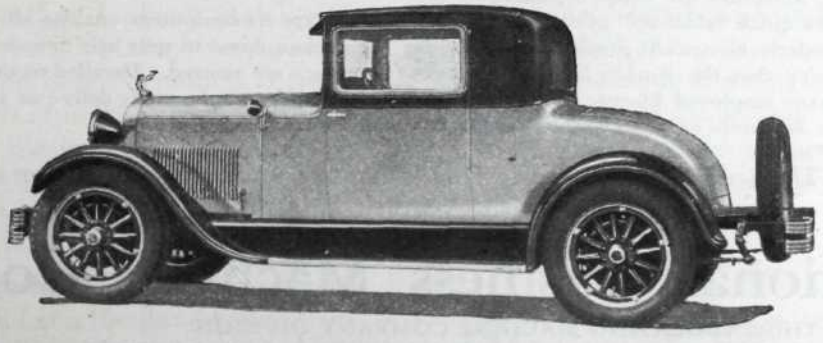
Fifty dollars repair cost on 35 Essex cars in operation totaling 470,000 miles is the experience of one Essex fleet operator which is duplicated in proportion by hundreds using Essex cars in business.

The great qualities that recommend Essex to fleet and business buyers everywhere are the same that give it foremost favor with the individual buyer—value, economy, smooth 6-cylinder performance, long-wearing reliability, and riding ease that makes a day of driving 'cross country or through city traffic with ease to car and comfort to passengers.

Essex is engineered to lowest operation and maintenance cost, and its actual savings over any other type of automobile transportation are readily shown by proofs too broad to admit of error.

One of our representatives who is qualified to discuss fleet operation in terms of modern business efficiency, is near and will call promptly to see you, and with no obligation on your part.

HUDSON MOTOR CAR COMPANY, DETROIT, MICHIGAN



ESSEX Super-6

When buying an Essex Super Six *please mention Nation's Business to the dealer*

An Accounting Niche No Longer Bare



The New Type 83 Electric Tabulating and Accounting Machines Fill a Long Vacant Place

No longer are small organizations or the individual departments, branch offices or divisions of great industries compelled to forego the benefits of Punched Hole Accounting. New models of Electric Tabulating and Accounting Machines — known as the Type 83 — have been especially designed for these particular sections of modern business.

The short-cuts and money savings that heretofore have been possible only in the headquarters accounting work of great industries are now available to small concerns and the various subdivisions of large ones.

By means of the Type 83 Electric Tabulating and Accounting Machines the small organization can now secure a quick "close-up" of operating conditions, via orderly, electrically prepared statistics, in the same way that the world's largest businesses for years have employed Electric Tabulating and Accounting Machines to secure similar results.

The large industries themselves can now electrically handle their operating data at the source of the original written information, thereby making it possible to secure timely information regarding production, sales, expenses, etc., through analyses made in the various departments, branch offices or other subdivisions.

The Type 83 equipment enables all figure-facts to be broken down to split hair fineness. Speed and accuracy are assured. Detailed reports concerning any activity can be made daily—or even hourly, if necessary.

The new Type 83 Electric Tabulating and Accounting Machines are the only equipment of their kind on the market.

International Business Machines Corporation

THE TABULATING MACHINE COMPANY DIVISION
INTERNATIONAL TIME RECORDING CO. DIVISION
DAYTON SCALE COMPANY DIVISION

50 BROAD ST., NEW YORK, N.Y.
Branch Offices and Service Stations in
All the Principal Cities of the World

CANADIAN DIVISION
International Business Machines Co., Ltd.
300 Campbell Av., West Toronto,
Ont., Canada

NATION'S BUSINESS

A MAGAZINE FOR BUSINESS MEN

Out of Industry—Justice

JUSTICE—the fair dealing of men with each other—has always been the goal of humanity. The business world has looked for justice from governments. Theocracy tried its hand, then monarchy, aristocracy, democracy. Yet, the scales have never seemed to balance.

Perhaps from Industry itself will come its own law and the administration of that law.

Already there is a movement, not clearly defined, toward a modern "law merchant." Before the end of the 13th century, the law merchant was conceived as a body of rules which stood apart from the common law. Merchants set up their own courts and handled with dispatch differences arising out of mercantile transactions.

Many of the rules and principles of the old law merchant have been taken over by modern courts, and an attempt made to apply them to modern conditions. As a result has come a gorge of archaic precedent and "the law's delay."

The ideal state was conceived by Plato as perfect social harmony, and business today, because of enlightened leadership, appreciating that business stability is founded on social harmony, can do much to bring about orderly contacts between our hundreds of millions of people.

Consider the individual elbowing his way through his day's work. The coffee he drinks at breakfast, the ride to the office, the telephone call, the suit of clothes he orders. All commercial relationships, and at a thousand points there is the possibility of friction, collision, antagonism.

But a movement toward self-government is already assuming various forms.

The future of a great rubber corporation was at stake. Vital interests had fought themselves into a tangle. Every man's hand was against his neighbor. Suits had been started, and more suits were threatened. Eighty lawyers were busy. Millions of dollars and years of time were to be wasted.

A clear-headed business man was called in. "Can't we," he said, "sit down together and talk this over?"

It couldn't be done. The fight had gone too far. But it *was* done, and settled not in years and months, but in days and hours.

Out of Industry came the application of common sense and equity to a difficult business arrangement.

Again: All Europe muddled. Politicians, with obsolete tools, failed to bring order out of chaos. Business, through a Dawes, a Young and a Robinson, reconstructed with a "larger equity."

More than three hundred industries have set up codes of business practice and 9,433 corporations, individuals and associations have affixed their signatures to the National Chamber's Principles of Business Conduct.

The coming decade is auspicious, for out of the welter of trade and trading may come a new modern "law merchant," a contribution to society worthy the best in American business.

Merle Thorpe

A Seasonable Building Suggestion to Officers and Directors

YOU may have heard of the Austin organization many times, and yet not know off hand just what Austin Complete Building Service has to offer you.

Briefly explained, now when you are most likely to be considering new plant construction, Austin will:

Build from your own engineering department's plans, or design, build, and equip your new plant, extension, or branch plant, complete, anywhere.

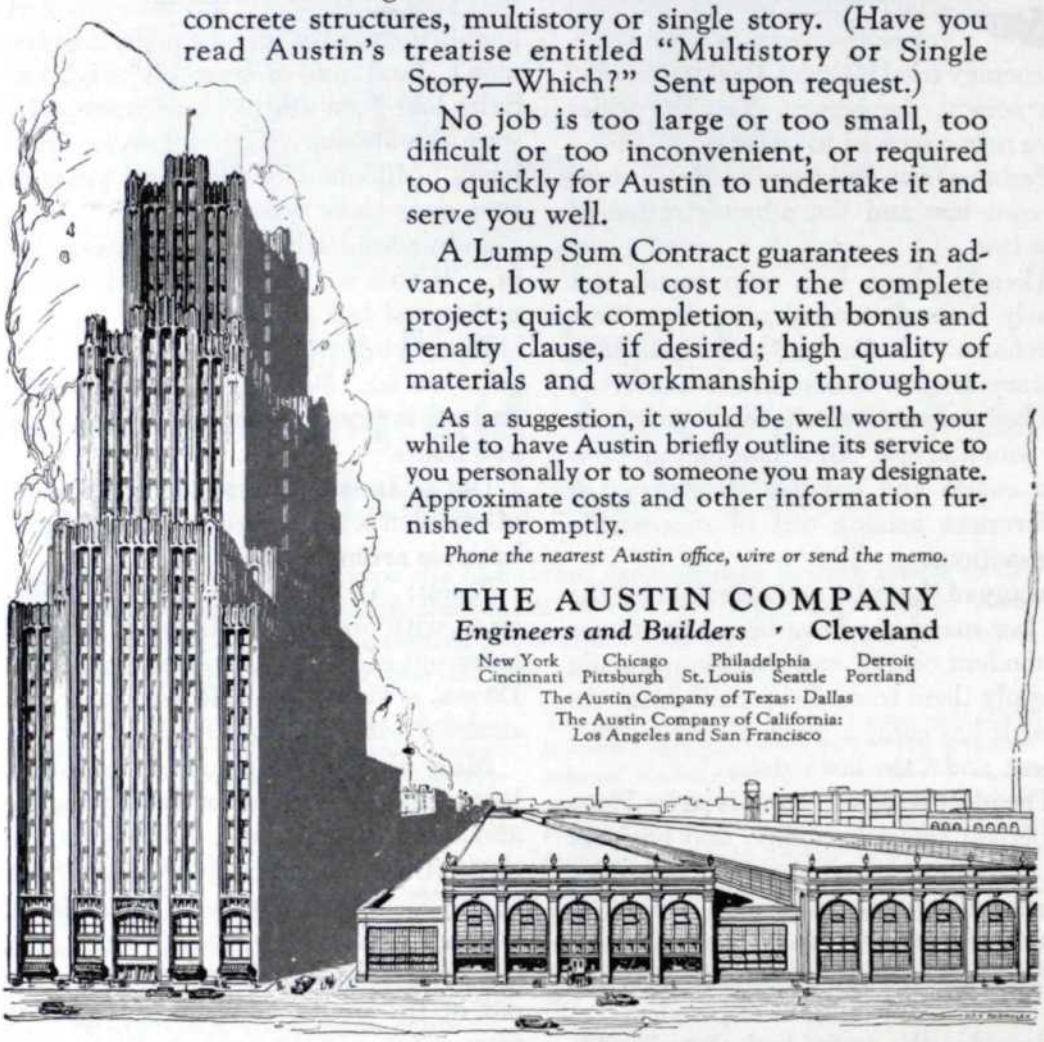
Austin designs and builds steel frame and reinforced concrete structures, multistory or single story. (Have you read Austin's treatise entitled "Multistory or Single Story—Which?" Sent upon request.)

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NATION'S BUSINESS

Published at Washington by the Chamber of Commerce of the United States
MERLE THORPE, Editor

As the Business World Wags

THUS WE MAY SEE, QUOTH HE,
HOW THE WORLD WAGS—*As You Like It.*

The Chamber Sticks to its Guns

THE National Chamber stands by its guns. Five months ago it presented to Congress the tax proposals of which its members had overwhelmingly approved.

Since then those proposals have been the subject of attack from many quarters. Yet not one fact has been produced that has led the representatives of American business to lose faith in the justice of their position. Rather have all the developments in regard to the tax receipts for the current year made the Chamber's proposals seem more reasonable.

We are retiring the national debt far faster than the Congress has ordered. We paid in the year ended June 30, 1927, $1,133,000,000, of which less than one-third was compulsory. That $1,133,000,000 was more than one-fourth of the income of the National Government during that period.

Nor does the Chamber hesitate to repeat its belief that the estimates of receipts for the year ending June 30 next are far too low, and it presents a record of Treasury estimates and the final figures. The surplus for the year ending June 30, 1927, was $635,809,000. The Treasury estimated it once at $330,000,000, once at $186,000,000, and so late as December, 1926, at $383,000,000.

So clear, so convincing is the Chamber's statement of its position that NATION'S BUSINESS prints it complete, starting on page 26. Every business man will want to read it.

Why Wait to Reduce Taxes

THREE times since the war has Congress reduced taxation, once in 1921, again in 1924 and a third time in 1926. Each time Congress has cut deeper than the Treasury recommended. Each time the surplus has shown how safe were these deeper cuts. In the last, most striking case, the Treasury recommended a cut of $300,000,000. Congress passed a bill reducing the revenues by $422,000,000.

And what was the result? A surplus in 1926 of $377,000,000 and in 1927 of $635,000,000.

So much for what has happened. As for the future nothing indicates any business recession such as would imperil our revenues. Moreover, to oppose just and reasonable reduction on the ground that Congress *may* authorize the expenditure of unexpectedly large sums is ridiculous. The power that lies in Congress to spend money lies in the same body to raise it.

Our Variable Tax Receipts

IT IS common to base estimates of total tax receipts for the year on the receipts for the first quarter, but a study of the figures shows how little dependence can be placed on estimates so based.

In the five years 1923–1927, inclusive, the first quarter's receipts have been in one year (1926) only 26.5 per cent of the year's total and in another year (1924) 32.2 per cent.

In the March quarter of 1928 receipts were $603,000,000. If the 1926 ratio held good we should have then in 1928 total receipts of $2,275,000,000, while if the 1924 ratio should be repeated they would amount to only $1,872,000,000, a difference of $400,000,000, enough to make the most indifferent of calculators hesitate to be too positive as to any conclusions based on first quarter receipts.

There is reason to believe that the percentage of the March quarter this year will prove to be near the bottom of the range and that the total for the year will be larger than is now estimated.

Unselfish Organization

THOMAS S. ADAMS, professor of political economy at Yale and economic advisor to the Treasury Department, is a leader among American experts on taxation. He knows how financial legislation is made, and his tribute to the unselfishness of organized business deserves wide circulation. Talking before the Senate Finance Committee, he said:

> I believe that the participation of the Chamber of Commerce of this country in revenue legislation is a very indispensable element. You gentlemen want to know what the chambers of commerce and the business community think. The apparatus by which they can be given a voice is necessarily rough and necessarily inexact, but, nevertheless, you cannot legislate wisely and the Treasury Department cannot legislate wisely unless those gentlemen think these problems over and state their position and their opinion definitely.
>
> As a matter of fact, this whole subject should be taken out of the domain of controversy into which it has gotten, and it

should be recognized that the Treasury Department and the Chamber of Commerce alike are fulfilling, as best they can, a function that is very necessary to fulfill in a democracy.

I have served on these committees of the United States Chamber of Commerce since before the war. I have served on their tax committee. Repeatedly, again and again, that committee and the Chamber of Commerce have refrained from urging tax cuts which would be to their selfish advantage, and which they wanted, and which they thought possible, in deference to the recommendation and estimates and conclusions of the Treasury Department. It is a serious matter with them to oppose the Treasury Department, and they do it only reluctantly.

I want to say that in the past they have acquiesced in tax rates which they thought unduly high, out of deference to the Treasury Department, and the events have shown that those tax reductions might properly have been made.

Government In Business

THE fight for business freedom, freedom from unfair government competition and unwise government control is never ending. Take three proposals which have been before Congress this session—the Jones shipping bill, the McNary-Haugen farm relief bill, the Muscle Shoals resolution, either in the form in which the Senate passed it or in the still more obnoxious form in which it reappeared in the House—each is planned to put the Government into business, to enlarge that bureaucracy which has grown at so alarming a rate in recent years.

For the moment merchant marine legislation has moved out of the public eye, but the plan to embark the Government on a tremendous program of price fixing and marketing for farm products and the plan that the Government should enter into the business of making and selling fertilizer are still moving forward.

Perhaps the preamble to the Constitution should read "We, the people of the United States, in order to form a more perfect union . . . and secure the blessings of liberty to ourselves and our posterity and engage in the manufacture of fertilizer and in the business of ocean shipping and fix the price of farm products, do ordain and establish this constitution."

A Threat to Industry

THE House Committee on Military Affairs in reporting out its own bill for the utilization of Muscle Shoals, a measure which would put the Government into the fertilizer business, writes its own denunciation of the project for the report defines the committee's position as follows:

> It is with great reluctance that we turn toward Government operation, being well advised of all of the infirmities inherent in such an undertaking. The great investment of the Government at Muscle Shoals, however, the importance of its continued maintenance as a part of the national defense, the crying need of agriculture for more and cheaper fertilizer, and the favorable opportunity for meeting that need, all compel us to disregard our prejudices.

The facts are, however, that science has made it possible to secure nitrogen without the use of large amounts of power, and the United States is no longer dependent upon Chile for nitrogen for use in munitions of war or as an ingredient for fertilizer.

The House Committee's professed reasons for overcoming their objections to putting the Government into business were more than met by President Coolidge who, in his message of December 6, 1927, said:

> The last year has seen considerable changes in the problem of Muscle Shoals. Development of other methods show that nitrates can probably be produced at less cost than by the use of hydroelectric power. Extensive investigation made by the War Department indicates that the nitrate plants on this project are of little value for national defense and can probably be disposed of within two years.

The very existence of the fertilizer industry is threatened for, to quote again, from President Coolidge:

> When the Government once enters a business it must occupy the field alone. No one can compete with it. The result is a paralyzing monopoly.

No wonder the industry is in arms against the resolution. It is, as the secretary of the Association, Charles J. Brand, points out, already an industry harassed by legislation and suffering from "profitless prosperity." So far from profiteering the industry has, he says, "deficiteered," having since 1920 lost $225,000,000.

But it is not the only industry which is menaced by such legislation. It strikes at the whole fabric of American business.

Can We Learn From England

CONGRESS plunges ahead with the McNary-Haugen bill which, however its supporters may describe it, is designed to fix prices of agricultural products with the help of government funds and government machinery.

Meanwhile Great Britain's experiment with rubber price-fixing has collapsed under its own weight. The London *Economist* says:

> An attempt on the part of producers controlling, at the outset, approximately seven-tenths of the world supply, to maintain prices at a level giving a generous return to all but the most inefficient, by means of a rigid schedule of increases and decreases which had never previously been put to practical test, has tended to stimulate outside competition to a decidedly formidable extent, and to encourage the use of a practicable substitute for the "controlled" commodity.

Great Britain has through the Stevenson plan lost to the Dutch much of her leadership in rubber production and has stimulated American interest in securing her own supplies of rubber. What has she done for the producer? Prices which climbed in 1925 to above $1 a pound have dropped to a fourth that price.

Perhaps after all there is but one school of economics and the only way is to pass the McNary-Haugen bill and let what will happen happen.

Market of Discontent

"THE EVIL of Being Contented" suggests itself as a sermon title to a paradox seeker. Julius H. Barnes writes of it in this issue of NATION'S BUSINESS. American industry grows, he points out, as we make men and women want, not merely more, but better things.

J. A. Spender, the British editor, sensed this current of American life on his recent visit here. Three things in this country stood out to him, the American spirit, the sense of equality and

"The perpetual stimulation of wants in contrast with the European ideal of thrift and contentment."

There is a quick unthinking reaction to the suggestion that discontent is a virtue, not a vice. "Oh, all you want to do is to sell more goods, to make me buy

things I don't really need."

But this market of dissatisfaction, this quality market, as Mr. Barnes named it, is more than that. It is a market that recognizes a human desire not merely for warmth and a stomach full, a place to sleep, but for the finer things in life, for books and better homes, for travel and furniture that adds art to convenience.

When Oliver Twist startled the workhouse by asking for "more," he only wanted porridge—and he didn't get it. The world is asking for more and getting it. And it is beginning to ask not only for more, but constantly for better things.



Too Much Cook Spoils the Broths

Let's Have Less Work

ALONG with this little paradox of the sin of discontent, let's try another, "The Blessing of Unemployment." We mean not unemployment of those who needing work cannot get it. That is a dreadful thing and however little the world has there is always too much of it. Rather we mean the unemployment that comes with the ability to earn more in less time, the unemployment that steadily has cut down child labor, the unemployment that grows from substituting the machine for the man.

We have shortened work time in this country on both ends of the day and on both ends of life.

We have passed in many industries from a 72 hour week to a 44 hour week. The five-day week is on the horizon.

Take these figures on "beneficent unemployment." In 1900 the population of the United States was 76,000,000, in 1925 it was 115,000,000, a gain of some 50 per cent. In 1900 our high schools had but 8.47 per cent of the children of the ages 15, 16, 17 and 18. In 1925 high schools had 47.82 per cent of the children of that age. A growth of unemployment of youth! In 1900 there were 115,000 young women in college; in 1925 about 700,000. Another growth of unemployment. And as our "beneficently unemployed" youth fill our schools and colleges instead of our fields and factories, industry is worked to increase unemployment at the other end of life. All over the country new projects for old age pensions start up and these new projects mean unemployment, but an unemployment free from fear.

Ridiculous Figures

OF THAT evil unemployment—the unemployment of the man who would work and cannot, we said a month ago:

"We have no adequate information of current unemployment. It is easy to say that 4,000,000 men are out of work. It would be equally easy to say 1,000,000 or 9,000,000."

Senator Shipstead, of Minnesota, seems to have leaped at our suggestion. He says 8,000,000 unemployed. A noble and mouth-filling figure.

Balance it with some other figure. We have in this country some 127,000,000 men, women and children. That means some 28,000,000 families. What would be the state of those 28,000,000 families with 8,000,000 unemployed? Talk of unemployment centers largely around our factories. How many factory workers are there? The 1920 census said 13,000,000; the 1925 census of manufactures said 8,500,000, figures which do not reconcile, but which laugh out of court any talk of 8,000,000 unemployed.

Possibly the Senator based statistics on that old dialogue:

Visitor—How many men work here?

Employer—About half.

Business Internationalism

FRANCIS DELAISI, the French economist, has written and The Viking Press have published "Political Myths and Economic Realities." The myth is nationalism—the reality, the internationalism of business. Man, he says, is both *homo politicus* and *homo economicus,* and the present crisis in the world is a crisis in the individual between the economic and the political man which is each of us.

Delaisi sees the economic interdependence of the world finding its expression in three bodies—the Inter-

national Chamber of Commerce, the International Labor Office and the League of Nations.

"They are," he says, "the pillars which will serve as a basis for the joint reconstruction and peace of the world."

Whether or not M. Delaisi sees the right road to the economic betterment of the world there can be no doubt of the great extent to which business is becoming international. The recent formation of the Finance Company of Great Britain and America with a $10,000,000 capital to provide facilities for commercial and industrial financing in the British Empire, Europe and the United States is an indication.

The American committee includes such names as Matthew C. Brush of the American International Corporation, Frederick H. Ecker of the Metropolitan Life, Archibald R. Graustein of the International Paper Company, John J. Raskob and Alfred P. Sloan of General Motors, William H. Woodin of the American Car and Foundry Company, and Charles M. Schwab.

Interest Rate on Paintings

CHARLES H. SENFF was a director of the American Sugar Refining Company. Not long ago a remarkable collection of paintings which he had brought together were sold at public auction.

The newspapers in recording their sale said of a Velasquez which went for $53,000: "Mr. Senff is understood to have paid $6,000 for it in 1892."

Half a dozen persons to whom the item was read, said in effect: "Well, that's a good way to get rich. Buy paintings by famous artists and hold on to 'em."

The sixth dug up a table of compound interest and said: "Yes, but if he'd put away $6,000 at 6 per cent compounded quarterly for 36 years, he'd have pretty near as much money with perhaps more certainty."

And what was true of the painting is true of many other possessions. Many of the stories of great profits made in real estate become commonplace when put to a little cold calculation.

A Religion of Business

NOT LONG ago the Philadelphia Chamber of Commerce entertained at luncheon some leaders of the Religious Education Association, then meeting in that city.

There came into the discussion the question of business in religion and Philip H. Gadsden, president of the Philadelphia Chamber, who presided, asked and answered this question: "What has the Chamber of Commerce to do with religion?"

His answer was that Chambers of Commerce are helping to develop a religion of business not based on a creed, not recognizing a sect, but setting forth definite principles of uprightness and of fair play.

It is easy to jeer at codes of ethics, to say of them that they are meaningless, but the very fact that business stops to write down its credo is a step forward.

We have not long emerged from a day when business seemed to have no other code than to keep clear of the law; when the best business man was the man who "put something over": when it was the buyer's business to distrust the seller and the seller's to conceal defects from the buyer.

Those times have passed, but, like all such passings, they leave survivors who do not see the new day and who hold blindly to the belief that all is fair in business.

But business does get better. No poet today would write as Goldsmith wrote nearly two centuries ago.

"And honour sinks where commerce long prevails."

Business has learned that honor and justice are essential factors in business.

Marketing With Radio

THERE was a time when we went to moving pictures not because we were interested in what the picture was about but in the very fact that pictures showed action. Spectators were content to see horses running, men walking and machinery in action. Time was when interest in the radio was not in what came but the very marvel that anything should come. It was not the orchestra that we heard, but a city 500 miles away.

The moving picture passed that stage years ago, the radio is well on its way past it. But once the two industries had to sell something more than the qualification of a curiosity, their problems differed.

The moving picture could charge for its product if only it knew what the public could buy. It could fence off the payer from the non-payer. Its chief concern was with the question: What will the public buy?

The radio is facing these questions: Can we make the public pay for what it gets and how? So far it has answered the question by selling time to advertisers.

Various suggestions have been made. One that radio users be asked to pay 50 cents a month, receiving in return a card announcing that he has paid and is a citizen in good standing of the community of radio users. But will an average good citizen pay for what he can get and has been used to getting for nothing? And what of the costs of collection?

Another suggestion is a levy on manufacturers of a percentage of sales to provide a fund for broadcasting talent.

Six years ago a writer in this magazine said:

"The problem that confronts radio is who shall provide service and how shall he be paid for it."

It is a problem still to be solved.

A Hero of Cooperation

TEAM play is a fine thing. Knute Rockne, gifted exponent of team play on the gridiron, fits football into business in an interesting talk published in this issue.

Perhaps the finest example of team play—finer than even Mr. Rockne's football teams—is the orchestra; and of all the orchestra, consider, as one who sacrifices most for the good of the whole cause, that gentleman who plays the double bass viol, sometimes we believe, called by the vulgar the "horse fiddle" or "bull fiddle."

No solos are written for this hero of cooperation, no spot light shines on him. His arm must be of iron and his fingers of leather to bring forth those growls, without which the orchestra is incomplete. He needs an open carriage or a small truck to take his instrument from spot to spot and never while the orchestra plays does he sit down.

A hero of teamplay, a living monument to cooperation, submerging his individuality to the good of a common cause, we salute the player of the double bass!



The Market of Discontent

By JULIUS H. BARNES

President, Barnes-Ames Company, N. Y.

Illustrated by Sidney E. Fletcher

JULIUS H. BARNES, a leader of American business, draws a new picture of what American industry is seeking to accomplish. For many years we have preached that contentment is a virtue. Now without knowing it we have begun to preach that contentment is a vice.

Mr. Barnes has taken his text largely from the growing and exporting of wheat, a business of which he knows most. What he says of wheat and the desire for white bread is true of furniture and pictures and books and a thousand other things.—*The Editor*

THE industrial revolution which made mass production and increased the standard of living by increasing the output of the individual worker has entered a new and complex phase.

We are seeing an economic evolution, a development of a quality market not only in this country but throughout the world. We are learning that human wants, human desires are not limited, that we can stimulate production by stimulating appetites. We can make people not merely want more things but better things.

Mass production, with its economies of cost, today widens the range of articles sold from the shelves of the five-and-ten store as was never possible before the war. Yet, parallel with this runs the demonstration that an appeal to individual taste or preference can market an article largely outside the influence of price competition.

The most striking illustration is perhaps in the field of automobiles. Individual preference, stimulated by shrewd advertising, buys its particular make, often with little comparison with the price of competitive motor cars.

Strike the fancy of enough individual buyers and provide something of universal desire, more attractive than anyone else, and in this day of higher wages and adequate earnings, the marketing field seems limitless. In this demonstrated marketing possibility of today, itself the culminating growth only of the last few years, lies the field of reassurance for American youth. Youth, equipped only with brains or an original idea, may carve his own future against large aggregations of capital.

One might properly describe this new evolution in consumer markets as the phase of "*quality markets.*"

A moment's thought will illustrate that slowly but surely now the American table has become a quality table. The open cracker barrel of the corner grocery is superseded by the moisture-proof carton. No longer does the tin scoop dip sugar from the old burlap sack. All that has been displaced by the crystal cubes in an attractive container. The various mysterious classifications of eggs, as "fresh," "extra fresh," "fancy" and "winter storage," have been abandoned for the egg, rubber-stamped with its date of delivery. The old milkman no longer pounds the kitchen door to measure into the maid's pan a five-cent quart of milk. The rub-

ber-tired motor truck leaves the sealed bottle of high quality milk on your doorstep and collects twenty cents instead of five. The variations in quality of home-baked bread have disappeared before the public bakeries that deliver bread, never burnt and never undone, of varying dependability, while the housewife watches the afternoon showing of Charlie Chaplin or Douglas Fairbanks.

You could not arouse public interest in a fluctuating price for ten-cent bread today if you bought the front pages of every daily newspaper; whereas, ten years ago, the yellow sheets found their readiest subject of public inflammation in the rise of bread from five to six cents a loaf.

This established custom of paying the consumer price without question, for food articles of taste appeal, is building anew the security of the farm. It carries the important promise in its wider aspect of restoring the balance of opportunity between agriculture and industry.

No subject, a few years ago, so wrung the heart as the tearful description of the abandoned farms of New England. Then, for the first time in history, came good wages, sustained individual preference, with adequate buying power, timed with the new invention of the motor truck, extending the radius of quality food twenty miles from each industrial center.

The effect has been marked indeed. The egg production of New England, some thirty million dozen annually five years ago, is now nearly double that. The per capita consumption of milk in New England has risen in five years from about forty gallons annually to fifty-five. Across all of America the same tendency reveals itself. Butter, eggs, milk, ice cream, vegetables and fruits, all show the stimulant of individual palates able to buy what they prefer.

North Dakota, five years ago the headquarters of the Non-Partisan League and the center of farm distress, clinging persistently to its tradition of grain production, receptive only through the pressure of distress to the experienced counsel of its agricultural advisors, dubious of a stable market for expanded dairy products of farm diversification, has nevertheless followed this counsel of diversification into a present haven of comparative prosperity.

But, there is a wider promise in this tendency than even the expanded markets of America.

American business judgment, soon after the armistice, recognized that the depreciated buying power of three hundred million customers in Europe must reflect to the injury of the American farm. Unintelligent farm leadership long opposed those steps which would have hastened the day of rehabilitation in Europe, unable to see that the soundest of national farm prosperity rested on surplus production, marketed at profitable prices in Europe's teeming cities.

Business leadership declared in 1923 the principles of European rehabilitation. Business discussion then created the public opinion which welcomed a sound solution. Business ability devised the successful Dawes plan. American financial genius sterilized the temporary accumulation of the world gold in America, rendered it presently harmless against inflation with its after-crash, later spread it as the basis of sound currency into Europe when national budgets were finally balanced—and America is today on the threshold of its reward.

Stable Money: Good Trade

TODAY, for the first time in ten years since the armistice, European currencies are stabilized except in three minor Balkan countries, and these have remedies under way. The effect in Europe has been instantly beneficial. Industry has been able to project its wage scales and production costs weeks and months in advance and contract its products for ultimate sale in stated currency denominations that no longer carry hazard of destructive fluctuation.

Industrial production has increased; employment is enlarged; wages are advancing; buying power is restored; and in Europe, as in America, though at a slower pace, the individual preference is making itself felt in the same tendency of "quality markets," and particularly a "quality table."

> **"WE are seeing an economic evolution, a development of a quality market not only in this country but throughout the world. We are learning that human wants, human desires are not limited, that we can stimulate production by stimulating appetite."**

The census of European animal husbandry shows a striking increase in dairy herds and meat animals. The distribution of milk and butter and eggs and bacon shows the same trend as in America; when the pennies can be spared from high earnings, the individual taste demands quality foods for its table. In Europe bread will be slower to respond, for it has been for generations the symbol of living costs, and even today unenlightened governments dictate the taste of their people against the outworn theory of limited buying power. They succeed only in making bread unpalatable, until their people revolt against such bureaucratic supervision, as recently in Belgium.

Now the important effect of this tendency in Europe has been that in recent months Europe's production of fodder grains has fallen short of the eating capacity of its herds. Today American barley, which is required to produce a certain type of bacon from European hogs, sells for export at a fancy price, higher per pound than standard wheat for human beings.

It seems reasonable to expect that under the stimulus of this quality table in Europe the expanding dairy and meat herds will require more acres in pasturage and more acres to grow fodder grain for the farms' own animals and there will be a tendency to shrink the wheat areas of Europe. Wheat lends itself so readily to the economies of large-scale production of the vast reaches of western America, and the transport of raw grain to Europe's mills is made with such economy of cost that here again there is a trend which carries much promise for the wheat grower of North America.

Fifteen years ago the annual movement overseas of wheat averaged five hundred million bushels. For the last three years the overseas movement has exceeded annually eight hundred million bushels. Under the stimulus of the quality table of Europe and the transfer of raw wheat production to the new world areas, it seems reasonable to forecast that in the next few years the average overseas requirements may reach one thousand million bushels. Where will Europe and the expanding Orient look for an increased annual contribution in export of two hundred million additional bushels?

There are five substantial surplus growers of the world. Russia formerly contributed one hundred and fifty million bushels of bread grain annually, and in recent years has shrunk to almost nothing. Under the Soviet regime, Russia is probably out of the export column practically for good. Each summer you will read optimistic estimates of coming surpluses by Soviet authorities, and the close of each cereal year will see probably a continuing disappointment in export.

Proscription of Agriculture

WHY? Russian peasants have seen the production of their farms confiscated by edicts; have seen special agricultural taxes levied even this last January—not after orderly and public discussion, but by the sudden edict of tyrannical autocracy, levied especially to force the marketing of grain against the market judgment of its owner. The Russian peasant has seen the plow production under Soviet direction of its industries sink to a fraction of its pre-war state and the import of agricultural machinery blocked by the government monopoly and its empty treasury.

Vast areas of Russia are plowed today three inches deep with the wooden plow of generations ago. Shallow soil is robbed of its fertility, with none of the intelligent replacement which maintains soil production. The first period of unfavorable weather, and large areas of Russian crops will collapse, in future, as in recent years. Broadly speaking, under Soviet control, Russia will probably be no longer a material factor in overseas wheat supplies.

India, which used to export perhaps

(*Continued on page* 154)

The Chain Store and Your Community

By TEN LEADING CHAIN STORE EXECUTIVES



CULVER, N. Y.

FOURTEEN state legislatures have up for consideration anti-chain-store measures. Local chambers of commerce criticize chain stores charging that they sometimes refuse to cooperate.

How general is this opposition? What do the chain-store men themselves say?

WITHIN the past month the secretary of a chamber of commerce in Georgia wrote to the National Chamber to ask for aid. His town, he said, was being overrun by chain stores. There were thirteen there already, and several more were looking over sites and generally scaring the established independents. What should he do about it?

A few days later a very different communication came in. A chamber in a thriving little Pennsylvania town wanted to know how some of the big chain systems might be induced to locate branches in the community.

The unusual character of the latter letter raised several interesting questions. Did it augur the coming of a new day, when merchants would welcome chain competition? Was public opinion against the chains, or was the opposition directed toward them by disappointed independents?

Do chain stores lack in community spirit? Do they as a matter of policy stay out of chambers of commerce and similar organizations?

Or is it possible that the fault may be partly with the chamber and its executives?

The chain stores are shrewd buyers. If they fail to buy chamber memberships is it because the chambers' goods are not properly presented or because the goods are not up to quality? Questions which every chamber of commerce executive might well ask himself.

NATION'S BUSINESS asked ten leading chain executives for their views on the attitude of the chain toward the community, and the effect of the chain on the community. In particular, NATION'S BUSINESS sought the expressions of these leaders on their policies toward local chambers and local community activities. The charge has been made that chains were not community minded.

Here is what these ten leading executives wrote for NATION'S BUSINESS:

Merchants Invite Us

By GEORGE B. EVERITT

President, Montgomery Ward & Co., a mail-order house now setting up a chain of 1,500 retail outlets

WHEN we initiated our experiment in the retail field about two years ago with the opening of three or four Combination Retail Tire Stores and Merchandise Exhibits, in towns of approximately 5,000 population, the principal unknown factor was the probable attitude of local merchants and business men toward the apparent invasion of what they might look upon as their private trade domain.

So definite was the impression in the minds of some of our executives that we would be unwelcome guests, that our first stores were established with a certain degree of secrecy. Leases were made, interior alterations carried out, and merchandise and fixtures installed under a name that apparently had no connection with Montgomery Ward & Co.

Much to our gratification, however, we soon found that such precautions were unnecessary, for it seems that for reasons not entirely unselfish, our particular kind of chain store has been welcomed very warmly by the local merchants.

Some of the reasons for this are as follows: We consider the trading area of each of our chain stores to include approximately a 30-mile radius. Within this area there are from twenty to forty thousand of our regular customers, depending on the density of population. There is usually some competition, varying in degree, between two or more towns located in or near this trading area whose merchants are striving to secure the bulk of the available retail trade.

Now, the important factor in the situation is that one of our stores, wherever located, will attract a certain number of our regular customers who visit us through friendly interest or a desire to inspect our merchandise personally. Among these thousands of out-of-town visitors are many who, having made the trip, usually spend the day and do additional shopping of a miscellaneous nature in the local retail establishments.

The result has been that trade associations of many cities have approached us soliciting our stores for their communities.

Any retail store, whether chain or independent, located in any community,

(*Continued on page* 116)

Knute Rockne Talks Teamwork

By CHESTER LEASURE

Illustration by Charles Dunn

WHEN John McGraw, astute master of the grand strategy of baseball, traded high-priced Rogers Hornsby for two unknowns, he set more than the sporting world speculating on the why's and wherefore's.

A member of NATION'S BUSINESS editorial staff remarked that there was a story for business and business men in the event, for here was a producer scrapping an expensive unit of equipment simply because it couldn't be made to fit into the scheme of things.

McGraw's only comment was that the trade was in the best interests of team morale.

Teamwork!

The word suggests the gridiron and the diamond, yet more and more business is sensing that the principle applies just as truly to industry.

Could a nationally known exponent of teamwork in sport say something worth while to business men? NATION'S BUSINESS thought so. I, therefore, looked up Knute Rockne, who is away out in the front rank of the exponents of teamwork in sports.

I asked this master craftsman before whom, each fall, more eager candidates for gridiron careers appear than make up the total matriculation of many colleges, if he would talk teamwork a bit.

Would he talk teamwork?

He would—and did.

"The stands," he said, "see only the touchdowns, the ball-carrying and that sort of thing. They are all very fine and necessary to victory, but they are by no means all there is in football. They are the thrills, the sensations, the window-dressing, but it takes eleven men in there, playing as one organism, to make them.

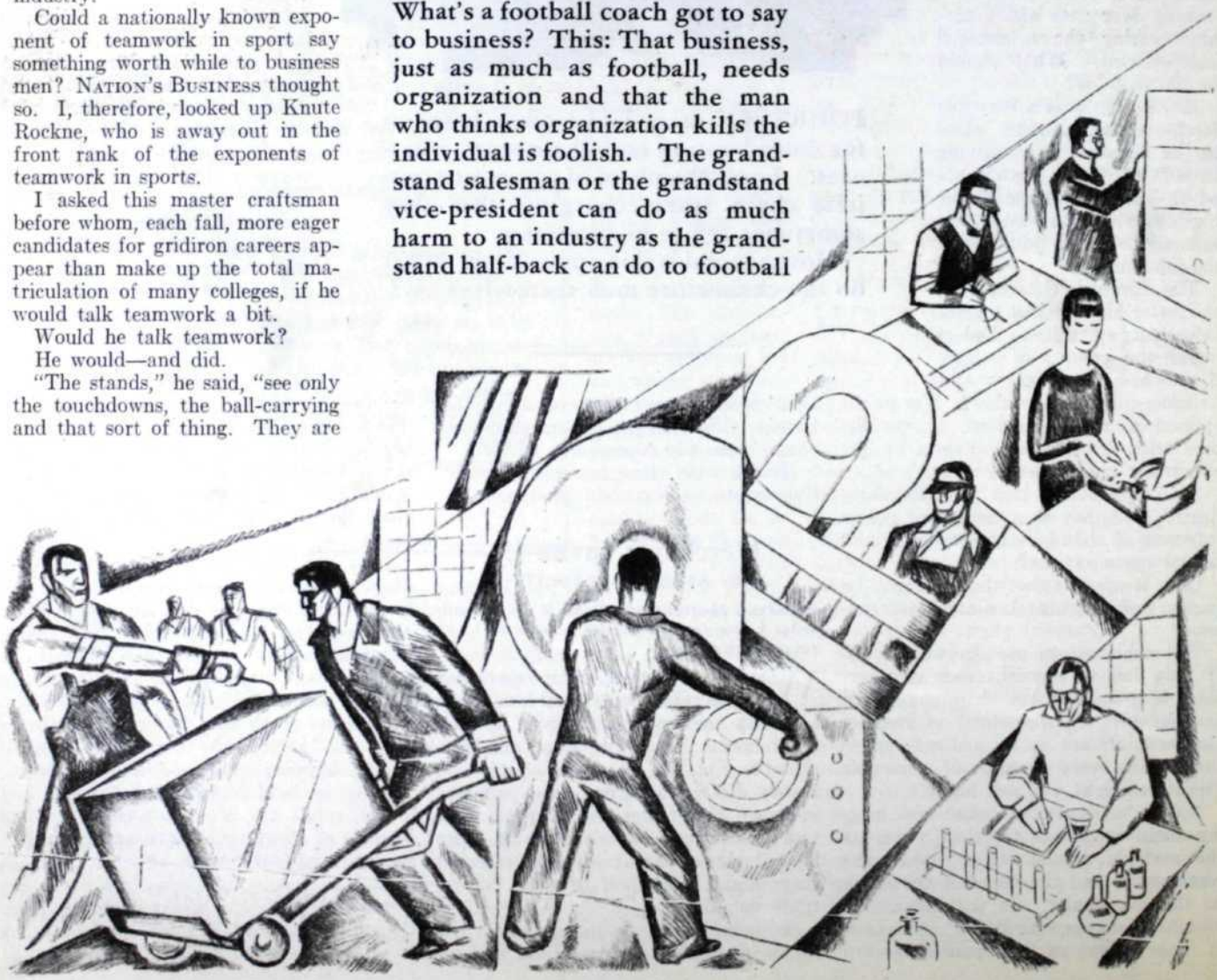
"There is no secret in creating a football team. It's a bit of organizing. It is said we are on an organizing debauch in this country; that we've a mania for standardizing that's crushing and stifling creative individualism. I don't hold with that idea. Organization in the football sense isn't a stifling of individualism. It's a fusing of eleven individualisms into a dynamic, astute group-mindedness; eleven individuals fused into a group individualism—if you'll stand for the paradox—a co-ordinated initiative. It's the old Musketeer spirit: 'all for one, one for all.'

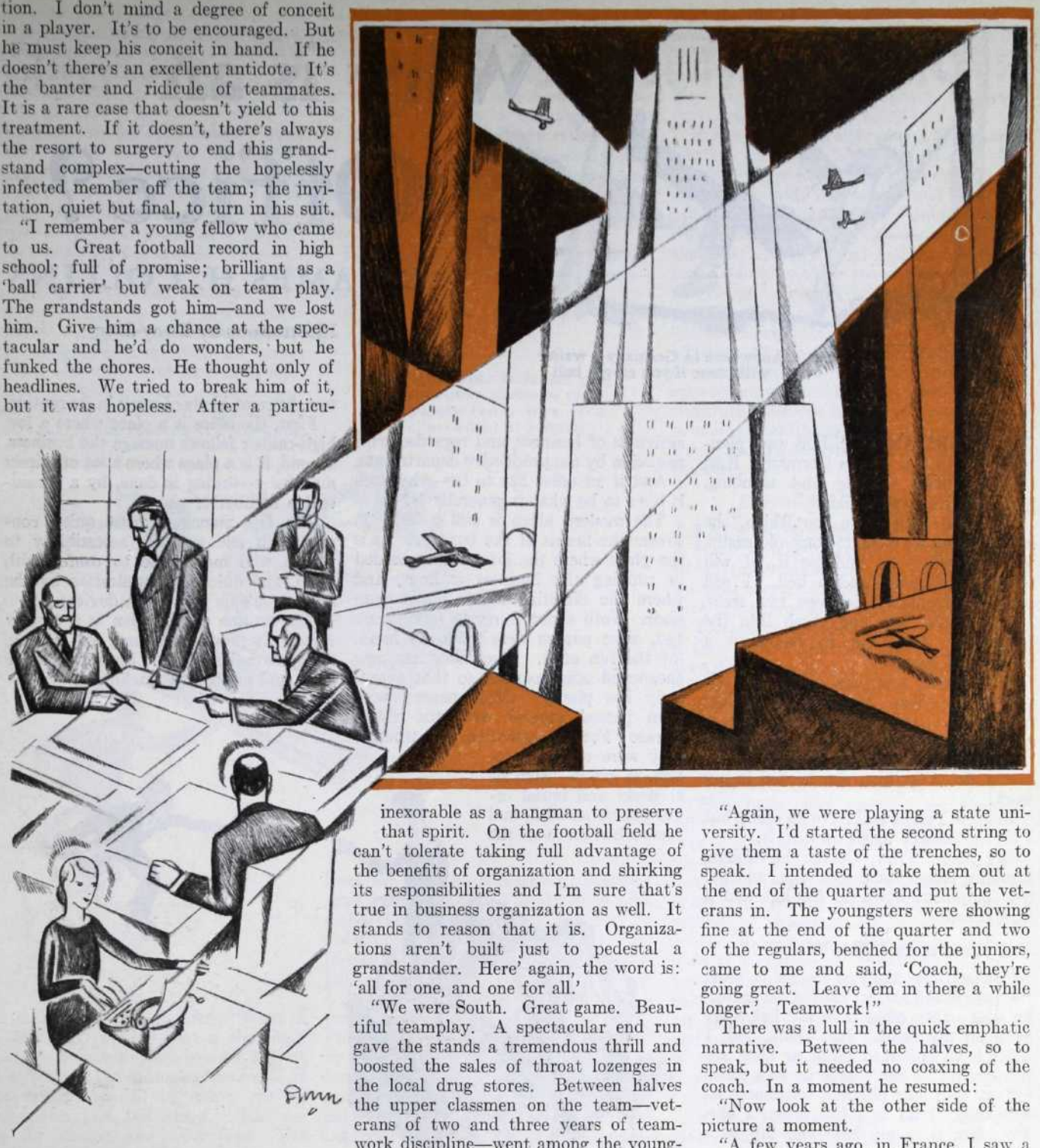
"To be sure, there must be subordination, but it isn't a subordination that crushes initiative. It's a subordination that fuses initiative. The "scrub" is sold this idea at the start. For fourteen years I've told the Notre Dame boys, 'Success is based on what the team does; not on how you, as an individual, look.'

Subordination to Team

"WE PLAY no favorites. The high school 'flash' with his laudatory press clippings from the home town papers and the awkward cub with acute inferiority complex—all and sundry must get this, and it's the most important primary instruction in the football curriculum. Occasionally, to be sure, there's a bad case of what we call occipital infla-

THE strangest name perhaps in this issue is that of Knute Rockne. What's a football coach got to say to business? This: That business, just as much as football, needs organization and that the man who thinks organization kills the individual is foolish. The grandstand salesman or the grandstand vice-president can do as much harm to an industry as the grandstand half-back can do to football





tion. I don't mind a degree of conceit in a player. It's to be encouraged. But he must keep his conceit in hand. If he doesn't there's an excellent antidote. It's the banter and ridicule of teammates. It is a rare case that doesn't yield to this treatment. If it doesn't, there's always the resort to surgery to end this grandstand complex—cutting the hopelessly infected member off the team; the invitation, quiet but final, to turn in his suit.

"I remember a young fellow who came to us. Great football record in high school; full of promise; brilliant as a 'ball carrier' but weak on team play. The grandstands got him—and we lost him. Give him a chance at the spectacular and he'd do wonders, but he funked the chores. He thought only of headlines. We tried to break him of it, but it was hopeless. After a particularly atrocious bit of slacking in his team play, I called him off the field. How the fans panned me! They didn't see the slacking. They'd only seen him carrying the ball.

"'Tyrant.' 'Jealous fathead.' These were among the printable things they hurled at me. But the 'star' turned in his suit, none the less.

"It's hard to cast off promising stuff, but it's better to sacrifice the most brilliant grandstander that ever roamed the field to give the co-eds a thrill than to prejudice teamwork. And the coach who's up to his job dare not hesitate. He must be as fair as a judge and as inexorable as a hangman to preserve that spirit. On the football field he can't tolerate taking full advantage of the benefits of organization and shirking its responsibilities and I'm sure that's true in business organization as well. It stands to reason that it is. Organizations aren't built just to pedestal a grandstander. Here' again, the word is: 'all for one, and one for all.'

"We were South. Great game. Beautiful teamplay. A spectacular end run gave the stands a tremendous thrill and boosted the sales of throat lozenges in the local drug stores. Between halves the upper classmen on the team—veterans of two and three years of teamwork discipline—went among the youngsters who'd had no cheers from the stands with words of encouragement and pats on the back.

Encouragement That Helps

"HERE it was: 'Great interference, kid.' There. 'That's hittin' 'em.' Yonder: 'Great work; you're using the old head now,' and that sort of thing. There was no lionizing of the youngster who'd made the beautiful end run. He'd had his from the stands.

"To be sure, it's necessary to make runs, and it's necessary to make touchdowns. But they aren't all there is to it. They are but parts of the play. Teamwork teaches proper proportion of things.

"Again, we were playing a state university. I'd started the second string to give them a taste of the trenches, so to speak. I intended to take them out at the end of the quarter and put the veterans in. The youngsters were showing fine at the end of the quarter and two of the regulars, benched for the juniors, came to me and said, 'Coach, they're going great. Leave 'em in there a while longer.' Teamwork!"

There was a lull in the quick emphatic narrative. Between the halves, so to speak, but it needed no coaxing of the coach. In a moment he resumed:

"Now look at the other side of the picture a moment.

"A few years ago, in France, I saw a basketball game between French and American teams. It was pitiful. The Yankees walked all over those Frenchmen just as if they hadn't been there. The French team wasn't a team at all as we understand the word; just five individual players—no team spirit.

"After the game, I asked one of the Frenchmen why, at a certain juncture, he hadn't passed the ball to one of his teammates who, in my opinion, could have tossed a goal easily. The Frenchman was plainly amazed at my question. Spreading his palms, he said, 'But why pass the ball to him? He, not I, should, perhaps, have scored.' And there you

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Anywhere in Germany a waiter will come if you ring a bell

Why is an Office?

By JAMES H. COLLINS

Illustrations by Tony Sarg

KARL AND JULIUS were planning a trip to Germany. Karl liked walking and climbing. But Julius didn't.

"We will walk down the Rhine," he said. "When we come to some old castle, you will climb up and see it. I will carry a hammock and a bell. I will sling the hammock between two trees, and ring the bell, and climb into the hammock. Anywhere in Germany a waiter will come."

A couple of years ago I adopted this plan in my office. My desk is a folding card table. Instead of a bell, I put a portable typewriter on it. From Florida to Hawaii I have been able to get a waiter for everything else needed in my work.

In New York I still have an office, but I do not hanker to go back to it.

My fellow Friar, George M. Cohan, forswore offices some time ago, and got his equipment down to his hat and a lead pencil.

Free from Office Worries

"I STOOD for the gaff too many years ever to fall for the visiting list again," he says. "My office is in my hat. My hat's on my head. Just think, kid, I don't have either to make or keep appointments. I don't have to do a musical act with four different telephones all day long. I do as I like, when I like. My office is in my hat—and my hat's off to the idea."

Others are discovering things about offices. After building and equipping and organizing offices so grand and spacious that they must be called by the suitable name of "Administration building," and putting boys on roller skates to carry papers from one vice-president to another, the Big Boss is asking himself, "Why? I must have had some idea when I did that—but what was the idea?"

Why is an office?

Who started it? What is it for?

What does an office cost? No office produces anything that people will buy for money, so far as I know. All offices are classed among the "non-productive" activities of business, and regarded with suspicion by the productive departments.

And if an office has to be—why does it have to be what it generally is?

The modern office is still a hat. It covers the brains of the business. It is the place where the information needed in running the business is kept, and where the directing minds make decisions. Until about thirty or forty years ago, office papers were made by hand, for the fun of it. Machinery has now cheapened office papers, so that everybody has plenty. Office papers have been passed around with the magic phrase "For the attention of," whether they were worth attention, or got it. Men sit at desks and initial office papers as such, and press a button to set the machinery making more office papers.



For centuries, men ran sizable enterprises with offices of the kind described by Dickens, a high desk and stool, an account book or two, a few tin boxes for papers, and a shabby clerk. However, they also traveled in stage coaches, and waited weeks for letters.

The modern office organization has two different kinds of work in its routine.

First, the office is a place where a few high-caliber fellows manage the business. Second, it is a place where a lot of purely machine recording is done, by a considerable number of people.

The few managers want quiet, contact with one another, accessibility to people who may come to confer with them, and quick communication by the several outside and inside devices.

The routine organization is a factory force. It produces papers for mailing, filing, statistical study. Its work is done more and more with machinery.



When the management part of the office gets a divorce from the factory part, the results are often quite happy. For if two dozen executives locate offices in the center of a big city and insist upon having the factory force around them, hundreds of people must spend an hour reaching their work in the morning, and another hour going home, and at times when transit facilities are overburdened.

These two different kinds of work were shown recently when a public service corporation sent me a bill that did not check with my own record. The mistake was in my favor. It was simple fairness to call up the company and direct attention to the shortage.

"I'll send you a larger check, or you can add the sum to my next bill," I said.

"Please don't ask us for a bill," said the manager. "To run down and correct such an item on our records would cost us at least five dollars. Our accounting expense for each customer must be very small, and must be handled through the routine channels by machinery. Every case in which special work must be done on an account costs us enough to wipe out profit on a customer's service for several months to a year."

A good many present-day executives have allowed the factory processes of an office to clutter up the management functions. If you are a slave in such an office, living largely in suburban trains, subways, elevators, and the dark interiors of skyscrapers, your personal discomfort and expenses are beginning to crowd back on the concern you work for, and make management think, "What is an office?" I believe that if the thing could be thoroughly psycho-analyzed, at the bottom of the strange phenomena of modern cities would be found, not an Oedipus complex, but just a healthy desire for escape and adventure. The Western movies and the confession magazines prove it.

Life insurance was one of the first modern interests to build up large office staffs. It began with strong men, at the heads of fighting companies, who sold the idea of insurance. That was before typewriters. They gathered squads of clerks around them in the old walk-to-work cities. As office machinery was invented, insurance companies adopted it.

But today in life insurance the one big factory organization for the manufacture of office papers is being split up into branch factories. At present the branches are going to cities where living conditions are better—the drive-to-work towns. But it may well be that such office facilities will locate in walk-to-work towns, or be made the centers of new towns.

Convenience to the customer and the employe is not the only form of pressure operating to bring about decentralization. The high cost of running factories to produce office papers in cities is also at work. Branch banks, branch factories, branches of department stores, and other changes in the general way of doing business indicate that our cities are due for far-reaching changes.

If you are a "white collar office slave," you have this probability of escape—and one other.

While you are yearning for escape from the boss, he is planning to escape from you! You are a nuisance to him, and a cause of unnecessary expense. To ged rid of you, in self-defense, he is being forced to re-organize you into a better job.

Messenger boys are put on roller skates to carry papers from one vice president to another



Among the "Daring Escapes of History" should be placed that of Henry Ford, in the depression of 1920, as told by himself in "My Life and Work." The Ford business needed about $38,000,000, and there were two ways to do it—organize the business further by borrowing from bankers or reduce the organization and get the money from economies.

The latter plan was followed. The office force was cut in half, and the desk men got better jobs in the works. Every office paper that did not directly aid in the production of automobiles was "out," and tons of reports were junked. Six telephone extensions out of every ten were abolished, and desks became second-hand furniture. The overhead cost of the car was cut more than fifty dollars.

Henry Ford was never recaptured, and is still at large, and his wild free life in the great open spaces of business has a hypnotic glamor for other executives. If you could follow your boss Saturday afternoon, you would probably find him getting a haircut and sitting down to read the life of Henry Ford, the "Dead-eye Dick" of American management.

Have you heard about the "silence room" that appeared not long ago in a New York advertising agency and is spreading through the East?

It was discovered that after a first-rate creative man was hired and domiciled in a handsome office, and surrounded by secretaries and telephones and every other convenience for work—suddenly he would disappear! Inquiry showed that the great creative mind had gone home to be able to work in peace and quiet.

"All right, we will bring the home to the office," said management, and so—the "silence room." It is just an office, cut off from all the modern inconveniences of communication and furnished with easy chairs, couches, library tables—home furniture. Silence is the rule, and men in management jobs are at liberty to go there and be undisturbed to do their thinking.

Executives Seldom In

HATS as offices have been "in" with the big fellows for quite a while. You seldom find a major executive in his office. Business is run by a lot of playboys, who have yachts, country places, winter homes in Florida or the Southwest. They are in the woods a good deal and in Europe, according to individual taste, and many nowadays are taking wings.

Hats have mobility—the hat office can travel around. Hats have very limited capacity for putting things away—to be forgotten. Hats produce all sorts of magical effects for the furthering of business.

"How little office can you get along with?" is the idea in some kinds of business. "And how close can you keep to the work?"

A public service company, a mail order house, are types of business that require millions of papers in dealing with hundreds of thousands of customers; so there must be regiments of typists and batteries of addressing and duplicating machines. Even so, the mail order houses are splitting up into regional branches, and years ago they got out of the hearts of cities into suburban towns where employes could hold a job and live a life too.

Other types of business which cannot move, but must stay in the hearts of cities, are cutting down their office activities. For example—a hotel. The closer to the heart of town a hotel snuggles, the better hotel.

Its office space must be carved out of the high-cost real estate that is leased to guests for sleeping, eating, dining, and dancing. The less wasted, the better. Therefore, a good deal of the office system of a modern hotel travels around with the chambermaids and waiters.

Back of the desk where you pay your bill there is a machine that by the pressing of a few keys records every ten-cent item of service you've had during one day's or one month's stay. Your bill comes out printed and correctly added, and each item of room service, food,

laundry and so forth is at the same time entered on the hotel's records, correctly distributed to the many accounts a hotel must carry with suppliers. Under some of the topheavy office systems, the hotel would have little room for guests.

That's one way. And you can send the office along with the work to be done.

Mr. Ford takes the view that business is a collection of people brought together to work, not write letters to each other, and that when people are busy making motor cars, they will not have time to bother others with memos, or allow themselves to be distracted. If work is the main task, then such small office accounting as it needs may often be tied to the work and go along.

A construction gang goes into the field to lay a new cable. Accounting and reporting can be reduced to punches, crosses, time-stamps, and similar marks to fit the literary ability of the foreman. And they must yield information for the management of the company. The field reports are recorded by office girls on punched cards for tabulating machines, and those cards must be capable of answering next year questions of a character not at present foreseen. When the portentous question arises, "B-r-r-p" says the machine, and there's the answer in decimals. When a little piece of the office is hung around each foreman's neck, so to say, it reduces the number of desks and deskmen and turns the central office into a factory which may be located away from management.

Several Wall Street banks do a large business as transfer agents for stocks. They have got right down on the ground in this matter of separating the factory operations from management.

Every time a share of stock changes hands, the new owner's name and address must be entered on the books of the corporation issuing that stock. An old share is canceled, a new share issued, the new holder receives the next dividend check, and so on. Corporations turn over this detail to banks at so much per transfer. The business must be done quickly at the close of the market each day, and so the transfer windows are handy to Wall Street. But for the factory that keeps the records and draws the dividend checks, you go over into Queer Street, behind Fraunces' Tavern, and there is a plant that does the work with so few clerks that there seems to be hardly anybody around.

Why is an office?

You must have wondered if, like mine, your work takes you around to hundreds of different business establishments every year, and you see the strange ways in which people arrange this part of their business.

The Drab American Office

THERE are certain establishments that welcome the public with ostentatious offices, but generally the American office resembles the typical American railroad station.

The latter is sure to be in the ugliest, most depressing part of town. If the fundamental purpose of an office is not to put the stranger in touch with the intelligence that runs the business, then my basic conception is wrong.

However, very few offices do this. The stranger is received at the back door. A suspicious young lady at a peep-hole makes skeptical inquiries. I have visited prisons that were more cheerful and hospitable than many American offices and I believe that if I had gone in the capacity of an arriving convict, my reception would not have been any worse than in some of them. Not the big offices alone, either; the smallest concern, with two rooms, often sets up just as definite a barrier between intelligence and intelligence.



The stranger is received at the back door. A suspicious young lady at a peep-hole makes skeptical inquiries

Why is a private office?

Wise men have wondered! I don't know, after penetrating to thousands of them. So I will tell you:

When a man reaches the height or the dignity of a private office, or the depth and degradation, whichever it may be, he says, "At last I can express myself! Now I can make the ideal place for ME to work!"

Supreme Worshipful has the biggest room. Exalted Auxiliary has the next biggest, and so on down the line.

The room must have less and less as you go up. At the top there is the clear desk which marks the alert mind, and a hidden row of buzzers, through which that mind expresses itself.

The furniture proclaims the man. Sometimes it is special, sometimes de luxe, but always it must match. The higher you go, the closer it matches. The closer it matches, the more powerful is the atmosphere of emptiness.

Two powerful divinities rule the present-day office.

One is the great god "Face."

"Well, I've got it worked out," said a corporation president, the other day. "I need a certain able fellow from the outside, have him tied up, and will bring him in next month. That's going to hurt several fellows who've been with me a long while. When I bring him in, I'll give each a bigger office and a new title. And several fellows further down will get secretaries. Great institution, the personal secretary! It soothes and advertises."

The other divinity is the Great Joss "Data."

Yesterday, the practical man scoffed at the suggestion of silence in business. Today, few enterprises start until the right number of punk sticks have been burned to the joss.

Far be it from me to belittle scientific methods in business. But a little science is as dangerous as a little knowledge, and nobody is more contemptuous of "data" than the research experts who gather it and see it misused. There are vast quantities of facts available in printed form, because all sorts of agencies are constantly gathering them. There are specialists who will go into the field and gather any quantity of fresh facts bearing on a new problem. The business man today believes in the value of facts, and is willing to have them collected, and pay well for the job. But his faith often takes the form of blind superstition in the facts themselves.

"Nothing is more disheartening in our work," a market research man tells me, "than to spend several weeks conducting a special inquiry for some liberal client, and then to see him put the schedules of facts away in his desk, never taking the trouble to draw the two or three simple conclusions that mean something to his business. If he would extract these conclusions, he might throw the facts away."

Many a business office might burn down tonight with complete destruction of everything except the "Who-owes-who?" records in the safe. At first, the

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Seiberling—A Story of Friendship

By JAMES CARLISLE

FRANK A. SEIBERLING stuck with his stockholders, though it cost him $15,000,000 and broke him. Then at the age of 62 he came back



WHAT saved Frank A. Seiberling, anyhow? Lots of things. He is a friendly man. Never lies awake nights to hate people. A little luck, maybe. Sometimes he barely managed to make connections by telephone or boat or train. If he had missed he would have been ruined. He had the confidence of those who dealt with him. In 50 years in business he endorsed half a billion—billion—dollars' worth of paper and every cent he ever owed has been paid. He refused to get licked. After everybody else has curled up and quit he goes on fighting.

"Words are impotent," one man despaired in trying to write "F. A.'s" story.

Let's try a few words, anyhow.

When he was sixty-two years old he found himself jammed into a financial corner. The commodities panic of 1920 had closed the doors of factories and banks. His customers could not buy the rubber tires he made. If he refused to take the cotton and rubber for which he had obligated himself he would spread ruin farther. He had no idea of refusing. A banking combine came along. No blame to the bankers. They hive away millions against just such chances. The gold anchor to windward.

"We bid fifteen million dollars for your stock."

Stood by Stockholders

SEIBERLING could have walked out of his office with $15,000,000 to his credit. Free and clear. Not a nickel of debt against him anywhere in the world. He had a great house in Akron and he was 62 years old. He refused.

"I'll stick with my stockholders. If they lose, I lose."

Next day he was broke. Fifteen million dollars in the ditch. His great house was taken away from him. He put up every dollar he owned in the world in an effort to save himself. Values were crumbling everywhere. No one could say where the slump would stop. The bankers had the legal right to make themselves secure and they used it.

"We must have more collateral or we will wipe you out."

Let us not have any Faust and Mephisto plot in this. Much better to say that one side was as helpless as the other. Seiberling himself holds no rancor. The ice was breaking and all hands were scrambling to the bank. His holdings had value—witness that $15,000,000 offer—but he had only one market. The offer had been made because his stock carried control of the Goodyear Tire and Rubber Company. He was being pressed to compel him to sell.

"Here is half a million in cash," said Edgar B. Davis.

"Here is $400,000 in collateral, Frank," said John N. Willys.

It was not enough. The jaws were closing. Then Davis stepped forward again and underwrote Seiberling's venture. He obligated himself to the sum of $5,300,000. The squeezing was stopped. Today, six years later, at the age of sixty-eight, Frank A. Seiberling is again on top of the world. He seems good for twenty years more. He retains the largest individual stock-holding in the Goodyear Rubber Company. He is back in his great house. He has formed a new company, which last year reported $3,744,224 more assets than liabilities. In the first eleven months of 1927 the profits of the new Seiberling company were $1,356,707.

Luck and Friends

MAYBE words are impotent, after all. That sort of thing only happens in the United States. One might say that it only happens to Frank A. Seiberling. Nothing ponderous about him. "I can be hard boiled, too," he says to himself, but he is only hard boiled when he thinks the other fellow does not play fair. A stocky, roundheaded, kindly, friendly man who says he is a mechanic by trade and a financier and factory man because he had to be. Broke at 62 and back better off at 68.

Luck and confidence and friends. The three factors in his story. Let us examine them.

His father invented the "dropper" reaper which saved the backs of wheat-gatherers for years. When the boy was six years old the family moved to Akron, where the father operated a small factory. When "F. A."—everyone calls him "F. A."—was seventeen years old he left college and went into the factory. Invented a few things on his own. Has always been doing that. In 1890 the agricultural implement business went to pot. Long credits and slow collections. An old story. His father made an assignment and the younger man busied himself with cleaning up the odds and

(*Continued on page* 76)

The Map of the Nation's Business

By FRANK GREENE

Managing Editor, Bradstreet's

FAVORED by warmer weather, better roads and the Easter urge, trade generally and retail business particularly "stepped out" in the latter part of March and the first week of April. Seasonal industry, especially that connected with agriculture and building and their kindred activities, made almost equal improvement. Factory industry, however, showed few marked advances, and the wholesale and jobbing trade, which ranks as fair for the season, tended to quiet down, pending a clearer view of Easter buying at retail.

Naturally, the advance of out-of-door industry and a good week's retail trade before Easter in most areas buoyed business sentiment, but some credit for the more cheerful tone of things must go to the stiffening of most farm product prices over the levels prevalent in recent months. This improvement, traceable largely to the lessened yields of a number of crops last year, is mainly responsible for the announced intention of farmers in many parts of the country to plant a larger area in cereals and other crops the coming season.

Finance—Retail Sales—Pig Iron—Steel

MONEY hardened quite perceptibly in March, from .25 per cent to 1 per cent for various types of loans, without much if any apparent effect upon stock speculation. Breaking all records of volume, speculation caused gains of about $8 a share in railroad and of $18 a share in industrial stock averages between March 1 and April 7.

There seems no question that March records will ultimately show the usual large gains in chain store sales, rather smaller percentages of increase in mail order business and a good-sized increase in department store operations. At the same time the number of failures increased alike for the month and for the first quarter, whereas liabilities shrunk greatly, the situation indicating a reduction in the number of important commercial and bank suspensions.

There was a gain in daily averages of the output of pig iron and of the production of steel over those recorded in recent months, but despite this slight improvement the output of pig iron was the smallest shown in March or in the first quarter within the last six years. Steel output, on the other hand, was little below the peak total which was reached in March a year ago.

BUSINESS INDICATORS

Latest month of 1928 and the same month of 1927 and 1926 compared with the same month of 1925

	Latest Month Available	Same Month 1925 = 100		
		1928	1927	1926
Production and Mill Consumption				
Pig Iron	Mar.	90	98	97
Steel Ingots	Mar.*	104	107	107
Copper—Mine (U. S.)	Feb.	98	100	99
Zinc—Primary	Feb.	107	110	114
Coal—Bituminous	Mar.*	120	161	123
Petroleum	Mar.*	120	123	99
Electrical Energy	Feb.	137	122	113
Cotton Consumption	Feb.	104	107	103
Automobiles	Mar.*	107	105	116
Rubber Tires	Jan.	116	105	100
Cement—Portland	Feb.	106	89	94
Construction				
Contracts Awarded (36 States) Dollar Values	Mar.	119	124	120
Contracts Awarded (36 States) Square Feet	Mar.	115	113	111
Labor				
Factory Employment (U. S.)—F. R. B.	Feb.	93	98	101
Factory Payroll (U. S.)—F. R. B.	Feb.	95	100	103
Wages—Per Capita (N. Y.)	Feb.	104	105	102
Transportation				
Freight Car Loadings	Mar.*	107	113	108
Gross Operating Revenues	Feb.*	100	103	101
Net Operating Income	Feb.*	108	108	97
Trade—Domestic				
Bank Debits—New York City	Mar.*	168	131	125
Bank Debits—Outside	Mar.*	120	113	111
Business Failures—Number	Mar.	120	115	107
Business Failures—Liabilities	Mar.	161	170	90
Department Store Sales—F. R. B.	Feb.	106	104	101
Five and Ten Cent Store Sales—4 Chains	Feb.	135	122	109
Mail Order House Sales—2 Houses	Mar.	117	115	112
Wholesale Trade—F. R. B.	Feb.	95	94	100
Trade—Foreign				
Exports	Feb.	101	101	95
Imports	Feb.	106	93	116
Finance				
Stock Prices—20 Industrials	Mar.	169	133	121
Stock Prices—20 Railroads	Mar.	142	130	110
Number of Share Traded In	Mar.	224	130	140
Bond Prices—20 Bonds	Mar.	109	106	103
Value of Bonds Sold	Mar.	100	113	87
New Corporate Capital Issues (Domestic)	Mar.	193	131	93
Interest Rates—Commercial Paper, 4–6 months	Mar.	105	102	109
Wholesale Prices				
U. S. Bureau of Labor Statistics	Feb.	92	92	98
Bradstreet's	Mar.	97	91	96
Dun's	Mar.	101	94	98

	July, 1914 = 100		
	Feb. 1928	Feb. 1927	Feb. 1926
Retail Purchasing Power, July, 1914 = 100.			
Purchasing Power of the Retail Dollar	62	61	59
Purchasing Power of the Clothing Dollar	58	58	57
Purchasing Power of the Food Dollar	66	64	62
Purchasing Power of the Rent Dollar	61	58	56

(*) Preliminary.
Prepared for *Nation's Business* by the Statistical Dept., Western Electric Co., Inc.

Automobiles—Textiles

A FORWARD surge of 25 per cent in production of automobiles was shown by ten leading concerns combined. The automobile trade association estimate for the trade as a whole, however, is for little or no gain in the first quarter. The reason for this discrepancy is apparently the backwardness of producers not numbered among the ten leaders who have reported the strong advance.

In silk production, each month this year and the quarter as a whole showed peak estimates of consumption. There was decidedly increased activity throughout the industry Consumption of wool, however, apparently made only a little gain; and cotton consumption presumably fell off rather sharply. Many cotton mills retrenched in hours of operation, number of men employed and wages paid.

Building—Building Materials

A SLIGHT gain in January and a fairly considerable increase in February in the total of values represented by building permits reported, the February rise said to have had a partly speculative side in New York City—was neutralized in great part by a decrease in March, and the showing for the first quarter was only slightly better than in 1927. It was actually less than that of similar periods in 1926 and 1925.

The output of lumber, brick, cement and other building materials gained over that of a year ago, but lumber production is hardly up to the 1926 level.

The movement of soft woods exceeded that of 1927 but fell below the 1926 record. Hardwood production was below normal, partly because the production of furniture did not measure up to sanguine expectations.

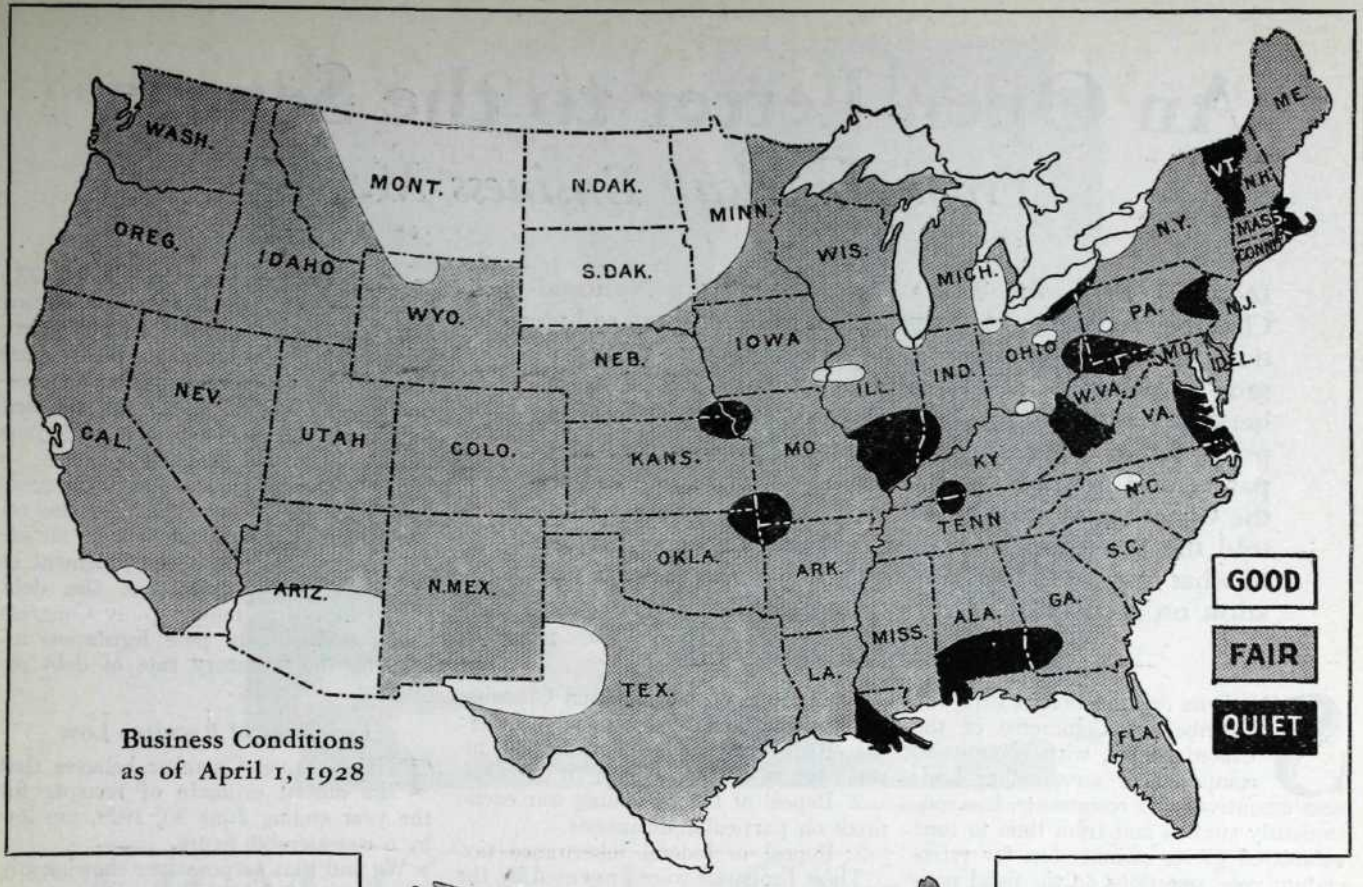
Shoes—Exports—Prices—Loadings

THE shoe manufacturing trade seems to have been active either in spite of or because of higher prices for leather and hides.

In foreign trade the eight-month export movement fell behind that of the year before and two earlier years because the value of exports of cotton, petroleum and foods generally fell below preceding years enough to offset gains in exports of manufactured goods.

Prices as shown by the index numbers indicated little change and did not in and by themselves alone bring out the rather sharp divergences, upward of primary and secondary farm products, and downward of a variety of other raw materials and manufactured goods.

Car loadings, which have been assuming a prominent figure as a barome-

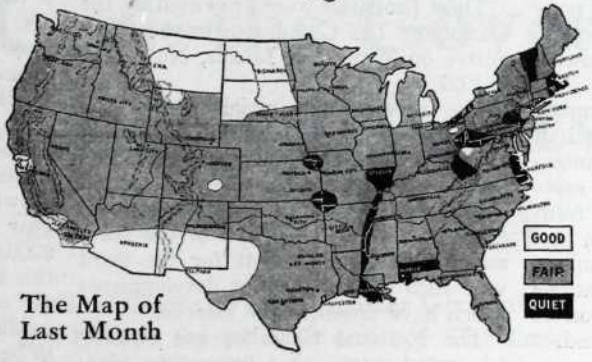


Business Conditions as of April 1, 1928

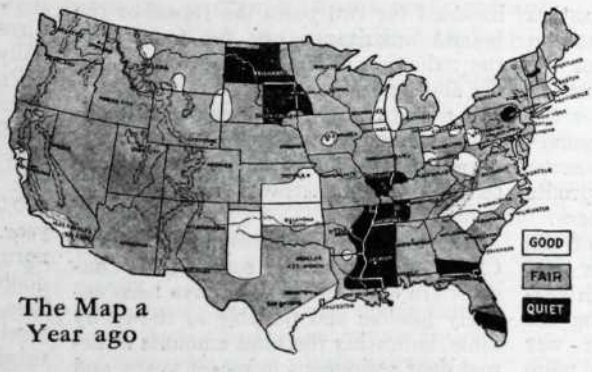
ter of industry and trade, were in keeping with the irregular trend shown in some other lines in that the decreases shown from one and two years ago are mainly chargeable to lessened coal mining. Gross earnings of railways for February fell off less than did car loadings, however, apparently because the big decrease was in this low freight-paying product. Coal developments for the first quarter fell 20 per cent, whereas grain and live stock shipments showed the large gain of 9.5 per cent. Exclusive of coal the loadings dropped only 2 per cent, merchandise shipments declining at this rate approximately, while miscellaneous, lumber, ore and coke, four heavy classes combined, fell only 3.7 per cent as against a 6.1 per cent decrease in all car loadings and a decrease in gross railway receipts of 6.9 per cent for two months.

Failures—Sections

SOME high lights of the statistical measures already cited deserve mention here. Failures for the first quarter showed increases in all but two groups of states, the northwest and the south; but the latter group, while decreasing from a year ago, showed increases over 1926 and 1925. Northwestern failures were the smallest for a first quarter since 1921.



The Map of Last Month



The Map a Year ago

THE most noticeable change in the map this month is the broadening white area in the Northwest, indicating the end of seven years of liquidation. Fair conditions succeed quiet in some Mississippi Valley states which suffered from floods. Quiet areas in Illinois, Indiana, Ohio, Pennsylvania, and West Virginia are credited to depression in the soft coal industry

Bank Clearings—Debits

THE ENORMOUS sales of stocks on the New York Exchange in March, 80 per cent ahead of February and 36 per cent ahead of the hitherto record month of December, 1927, were directly reflected in the gain of 14 per cent over March a year ago and of 6.5 per cent over December, 1927, in bank clearings and of 18.6 per cent over March, 1927, in bank debits. The reason is that New York furnished gains of 23.4 per cent and 28.3 per cent in clearings and debits, respectively, whereas outside of that city the gains were only one and six per cent respectively.

Price Index

THE price index for April 1 gained only a half of one per cent over March 1 but was 7 per cent ahead of April 1 a year ago. Silk consumption gained 10 per cent over the best previous quarter, that of a year ago. Pig iron output for the first quarter was 5.8 per cent below that of a year ago and the smallest to-

(*Continued on page 75*)

An Open Letter to the Senate

From American Business Men

IN OCTOBER the Tax Committee of the National Chamber recommended a program of federal tax reduction, and gave its reasons for believing this program sane in principle and fiscally practicable. The membership overwhelmingly approved, and the Chamber presented to Congress its proposals. Five months have passed and not one fact has been brought forth to lead the Chamber to alter its policy. This the Chamber has told the Senate in a letter which gives a clear picture of what may safely be done toward placing federal taxation on a basis of sound principle.—*The Editor*

SINCE its organization in 1912, the Chamber of Commerce of the United States, with committees composed of outstanding business executives and economists, has continuously studied and from time to time submitted to its membership for referendum vote, questions on the fiscal policies of the Government, without regard to changing governmental administrations.

The essential function of the Chamber is to develop and present non-partisan principles which are in the public interest. Facts are ascertained through careful investigation by representative committees and after full consideration and deliberate vote of our member chambers of commerce and trade associations throughout the country the position of the National Chamber is determined.

Post-War Taxation Policies

THE Chamber's war record of taxation policies has a direct relation to the policies the Chamber now urges for the reason that by an overwhelming vote of its membership, effective soon after the declaration of war, the Chamber immediately urged a large increase in income taxes, the imposition of excess profits taxes and new and heavy excise taxes.

This position was in support of the principle that the largest possible part of war cost should be met through current taxation in order that during the inevitable readjustment of post-war years the tax burden might be more quickly lightened.

This policy was adopted by the Government and the war thus was financed, but since the war full application of the principle has not been made and taxes have continued out of proportion to the needs of the Government for current expenses and for amounts specified by Congress to be used in debt retirement.

Our latest taxation referendum No. 50 (October last) was carried by the largest vote in the history of the Chamber.

The officers of the National Chamber are, therefore, charged with advocating:

1. Reduction of the corporation income tax to not more than 10 per cent.
2. Repeal of the remaining war excise taxes on particular businesses.
3. Repeal of federal inheritance tax.

These proposals were presented by the Chamber's Tax Committee to the Committee on Ways and Means, November 1, 1927.

The revenue bill which passed the House of Representatives on December 15 has been held in the Senate committee now four months. In this period our committee has had no reason to change its views in regard to the revenues of the Government for the fiscal year 1929 on any facts or developments which have arisen in the interval.

The National Chamber has steadily advocated return to a peace-time taxation basis. Its recommendations have included for two years the repeal of the federal inheritance tax, for four years the reduction of the corporation income tax and for seven years the repeal of the war excise taxes. Two years ago it opposed the increase of the corporation income tax from 12½ per cent to 13½ per cent, now demonstrated to have been unnecessary.

The taxation recommendations of the Chamber at previous sessions of Congress are demonstrated to have been entirely feasible and possible as shown by table[1] indicating the total amounts of actual debt retirement in recent years, and the sources from which these amounts of retirement were made possible.

Over one-fourth of the income of the national Government, that is, $1,133,000,000, during the fiscal year ending June 30, 127, was applied to debt retirement. This is more than three times the statutory requirements for debt reduction. Nearly as much will be used to reduce the national debt this year should no tax bill be passed.

After careful consideration Congress passed legislation providing for the retirement of the national debt in an orderly manner. If it is the judgment of the American people that the debt should be retired more rapidly Congress would undoubtedly pass legislation increasing the statutory rate of debt reduction.

Estimates of Receipts Low

THE National Chamber believes that the official estimate of receipts for the year ending June 30, 1929, are low by a considerable figure.

We find that corporations showing any net income for 1925 had an aggregate of $9,340,000,000 in taxable income and showed on their returns a tax liability of $1,170,000,000, at a rate of 13 per cent. Through data published by the Treasury in December, 1927, it is demonstrated that the total taxable income shown by corporations for 1926 taxable year was increased over 1925 by at least $200,000,000, or to $9,540,000,000. On this figure, therefore, at the rate of 13½ per cent, the total corporate tax due, according to the 1926 returns, would seem to be at least $1,242,000,000. It has now become evident that the tax liability shown by corporations upon their returns for 1927 will not vary substantially from the tax liability for 1926.

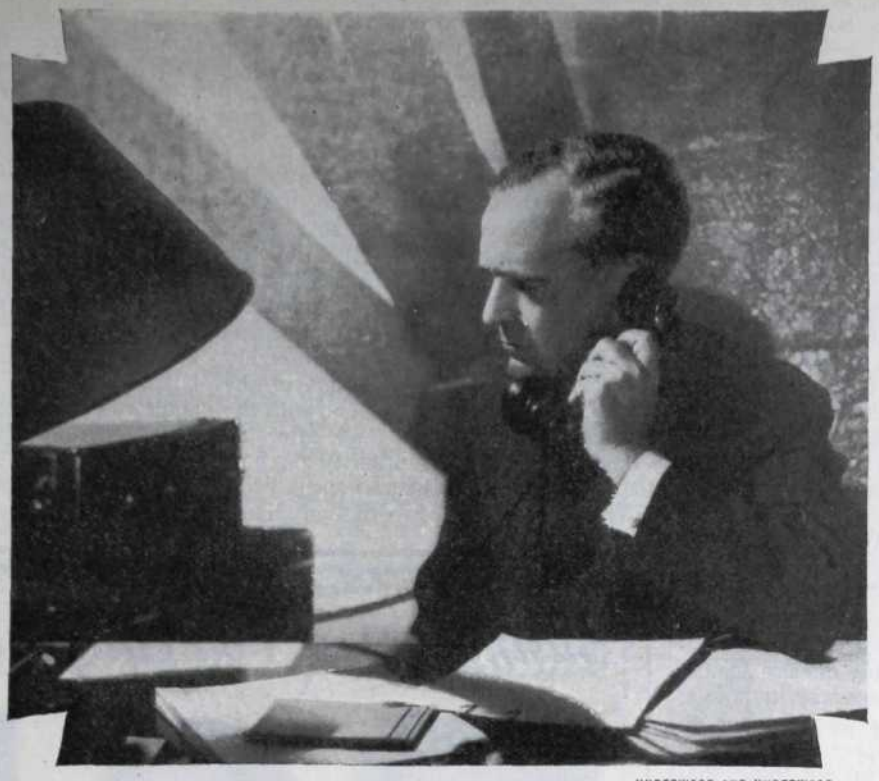
From these amounts due, however, the official estimates are that only $1,120,000,000 was collected in 1927 fiscal year, that $1,120,000,000 will be collected in the 1928 fiscal year, and that $1,120,000,000 will be collected in 1929 fiscal year. In other words, regardless of the nature of the income tax, and the undoubted growth in the volume of business, a "fixed" estimate is used for the receipts from a source yielding a good third of the total revenue receipts of the Government. It would seem reasonable to assume that—granted that business

(*Continued on page* 158)

[1] FUNDS USED FOR DEBT RETIREMENT

	Compulsory (*Required by law gradually increasing each year*)	*Permissive* *Interest from Foreign Governments*	*Year-End Treasury Surpluses*	*Actual Retirement*
1924	$289,000,000	$159,000,000	$505,000,000	$1,098,000,000*
1925	306,000,000	160,000,000	250,000,000	754,000,000*
1926	322,000,000	160,000,000	377,000,000	872,000,000*
1927	359,000,000	160,000,000	635,000,000	1,133,000,000

*Includes an amount obtained through reduction in the balance in the general fund.



UNDERWOOD AND UNDERWOOD

J. R. McCarl—the Government's Professional Tightwad

By HERBERT COREY

THE JOB of the Comptroller General of the United States is to enforce The Law as it is written. Equities, humanities, business decencies, widows and orphans, the Honor of the Flag parade before him yelling, and he does not even look up

THERE is this to be said of John Raymond McCarl, the Comptroller General of the United States:

He don't give a *damn!*

That isn't a pretty language, nor grammatical, I know, but it fits the case. He more uniformly don't give a damn than any other man in the United States. A good thing for him, too. He is the only man, so far as I know, who has the armed forces of land and sea, the administrative departments, both houses of Congress, and every man who does business with our step-paternal Government on his neck at the same time. Some of the courts, too. If he worried about it——

Well, you know how that unfortunate John Early acts down in the leprosy camp. It isn't the skin trouble that frets him, but the fact that farmers shoot at him when he crosses an imaginary line. If he could argue himself into McCarl's philosophy he would do so much better.

McCarl knows he is hated. He knows that those who are too big to hate think of him as a one-ideaed little maniac who has obtained possession of the old Pension Office in Washington and is shooting at business men as they pass in the streets. They think he is an impediment to business and a fanatic about the letter of the law and a combination between a Covenanter and a whirling dervish.

And McCarl, he goes ahead not giving a damn.

He knows he is right and the rest of the world is wrong. If he prove wrong in the end—and no authority short of the United States Supreme Court is accepted by him—no harm has been done to the United States. If he prove to be right and he does prove to be right in a depressing majority of cases, then the monies due the United States will be collected if McCarl and the debtor both live long enough and the latter has any money. Or the monies which the United States does not owe—in the strict letter of The Law—will be kept in its Treasury.

There's the clue to McCarl. The Law. He is not concerned with the rights and wrongs of any of the problems that come before him. Equities, humanities, business decencies, fair play, widows and orphans, the Honor of the Flag, parade before him, yelling, and he does not even look up. The job of the Comptroller General of the United States is to enforce the law as it is written.

"If The Law is not right," he says, "Congress can change it. That is what Congress is for. You and I cannot. If you try to change it I will stop you."

You can imagine what a hit that makes with Congress. When public monies are concerned Congress is often as easy as an old shoe. McCarl is hard as an Oregon boot, which is made of brass and laces with a padlock. He does not make any secret of his conviction that—

"The business methods of the United

States Government are as shiftless and doddering as would be those of a soviet of noodles.

"That there is not a corporation in the United States that would not go bankrupt in thirty days if it followed our governmental plan.

"That the reason why is because Congress is not up to its job."

Mind you, this is not an interview with Mr. McCarl. He is the freest and most independent of our government officers. He can twiddle his fingers at the President, defy every departmental head, give several ringing laughs whenever the Attorney General of the United States promulgates an ukase about his affairs, and refuse to obey any court except the Supreme Court, and no one can do anything about it. He is safe in his seat until 1936. The only way he could be gotten out is by an Act of Congress or through an impeachment process.

To tell the truth, Congress likes him. He is its fiscal conscience. Furthermore, he is the direct representative of Congress and almost its only defense against its own liking for giving away its powers to the executive departments. For all that no one would expect a high officer of the Government to say the things that have been said in quotation marks above. I said them. They are the things that I believe Mr. McCarl believes. Let it go at that.

Prevents Transferring Funds

HERE is a little story that illustrates McCarl's job. The Mississippi River went hell-roaring over its banks when Congress was not in session. No one denied that money was needed. McCarl least of all. This plump, rosy, vigorous little man has a kind heart and an open pocket in his capacity as a citizen. As an officer of the Government he knows no such thing as pity.

In every other country—perhaps; generalities sometimes go bang at the wrong end—an emergency fund for such occasions has been set up in advance. Or else certain officials are given sweeping authority to act in times of crisis. There is not a sign of anything of the sort in the Government of the United States. Nothing can be done and no money can be provided except by Act of Congress.

Congress was not in session.

The Regular Army wanted to help. It proposed to borrow the needed money from funds which had been ear-marked for other purposes. It is the fine, big, generous thing to do—that you would do—and I would do—if we were a Regular Army. It is also precisely the sort of thing that a Comptroller General is in office to stop.

"You cannot do it," said McCarl. "Very sorry. The money is needed. The only way you can get it is by an Act of Congress."

Congress was not called together and at the moment of writing, which is some months after the flood, not a penny has been appropriated for the relief of the flood sufferers. It may be—it probably is—the truth that this department and that department proved once more that the hand is quicker than the eye. They may have switched various funds around until some money was found for relief purposes.

But if they did, what they did was illegal. If McCarl catches them at it he will make them put the money back—if he can. Of course, he cannot. Laws are being "construed" all the time by government officials who are as honest and devoted and God-fearing as men can be. When they get through "construing" a law it has been pretty thoroughly wrecked. If McCarl were not in the way they would play merry hob with the intentions of Congress, and after all Congress is the one authority on how the peoples' money shall be spent.

The Mississippi flood situation stirred up the good people in Washington because something had happened just a little while before. But differently. When Florida had its tornado there was a special fund of $250,000 in the possession of the Department of Agriculture for use against the foot and mouth disease. No use was being made of it. Florida was in need. Some person in the Department of Agriculture said to another:

"We've got to do something for Florida. Let us take this foot-and-mouth money and hurry down there."

No sooner said than done. I do not know who winked at this compassionate but illegal course. Eventually McCarl's auditors discovered in the department's vouchers a line which read something like this:

"For fighting foot-and-mouth disease, $250,000."

Business Men You Have Read About



FREE INSURANCE

When Adolph S. Ochs, publisher of the New York Times, was 60 years old the Times Company established free insurance for its employes. On Mr. Ochs' seventieth birthday the maximum benefit was increased to $5,000



PREFERS POLITICS

Mayor Walker of New York declined to become a business man at $150,000 a year when he was proffered the presidency of the Stanley Corporation of America, operators of an extensive chain of motion-picture theaters



DIVERSIFICATION

The New England Council, through John S. Lawrence, president, is working toward diversification of industries in New England and will cooperate with Herbert Hoover's committee in a study of recent economic changes



BUSINESS HEALER

For years Homer Loring has rejuvenated run-down companies. Incidentally, he refused a $100,000 fee from the Boston & Maine Railroad for service given, stipulating that the money be used for company employes



RADIO MERGER

E. N. Rauland, a pioneer of the radio industry, is president of a new organization just formed by the All-American Radio Corporation and the Mohawk Corporation. The factories and offices will be in Chicago



MOST INSURED

John C. Martin of the Curtis-Martin Newspapers, Inc., is the most heavily insured person in the world. During the month his life insurance was increased to $6,500,000, underwritten by 23 companies

"Where was this foot and mouth epidemic?" he asked. "Nothing about it in the voucher. Usually this disease stirs up a terrible ruckus in the papers, but on this occasion it seems to have given a private showing. Tell me more."

"You," said the Department, "can go to thunder."

No one knows just how McCarl discovered that the $250,000 foot-and-mouth money had been spent in Florida. Maybe some one told him. He objected.

"That money," said he, "must be put back."

Well, it was not put back, of course. No one expected it would be. It had been spent in perfect honesty and with a generous and fine desire to aid. The men who did the actual spending work for small salaries. If they had been forced to put it back they would have been ruined. But McCarl whanged away for the sake of the example until at the supplication of the spenders a special act was passed which in effect relieved them of liability.

But no other department wanted to get into the same sort of a jam. Not right away, anyhow. Another relieving act might not be passed. The fact is that a disposition is being shown by Congress to scan relieving acts more closely than was the custom formerly. It has learned that many of these good people ask relief because they got into trouble through their own violation of rules and defying of Congress. So the Mississippi sufferers got no help.

Now you can see why John Raymond McCarl is the man who don't care a damn. At least not for anything but The Law. He and his office and his 2,100 clerks and lawyers and auditors are the one safeguard against anarchy in the conduct of the people's business. Very often his rulings do an injustice to the individual. He knows and deprecates this, but—

Either that individual has not obeyed the law in his dealings with the Government—

Oh, innocently, no doubt—

Or else The Law has been badly drawn. In that case Congress is on the Hill and it can rewrite the law. No other power has that authority.

"The Law," he says over and over. "The Law. My job is to enforce The Law. If you are injured I am sorry. But I must enforce The Law."

Congress is the sole constitutional authority through which money can be raised and spent for governmental purposes. Our forefathers had enough experience with each other in the first days of the republic to realize that there must be control over a spending agency by an auditing agency. They put that control in practice.

Breakdown of Auditing System

THEN the republic began to spread and spend more money and it was not always practicable to postpone a payment until the bill should have been audited in Washington. Therefore the Treasury Department sent its auditors into the field. By and by the Army—and if I am wrong I will be corrected by some of the best letter writers in the world—invented what might be called an improvement on the system if you were quite mad.

"Why take these auditors away from Washington?" asked the Army. "Their services are greatly needed there and, besides, their little children must be crying for them. We have a large number of officers who are not very busy just now and we'll be glad to relieve the Treasury auditors of all responsibility for the Army's fisc."

Observe the sequence now. Congress makes an appropriation for the erection of a bridge by the Army. I'm not picking on the Army. The other departments are just as outlaw as the Army ever dared be. That money can be only legally spent for building that bridge. Strictly speaking, the Army can only create an obligation under the terms of the act. When the bridge has been built the contracting officer certifies to that effect. Then the disbursing officer issues a warrant on the Treasury.

But if the contracting officer and the disbursing officer both belong to the Army, and are both subordinate to the general who is building that bridge, and there is no independent auditing body to intervene, this is what may happen:

"I cannot pay that bill, sir," says the disbursing officer to the general commanding. "It is not in accordance with The Law. I am under bond to uphold The Law."

"Whoof, whoof," remarks the General

(*Continued on page* 100)

In the Passing News of the Month



TO PUSH CIGARS

George J. Whelan, president of the United Cigar Company, sees no saturation point in tobacco sales. His company will develop its business by acquiring and pushing the sale of about six widely known brands of cigars



FEWER LAWS

Senator Tydings of Maryland favors a president who would repeal 500,000 laws. This makes him eligible to Nation's Business Fewer-Law's Club, now six years old and law-making still the nation's chief industry



NEW COMPETITION

Ralph C. Hudson of Baltimore is the newly elected president of the National Retail Dry Goods Association and an advocate of "adapting retailers to changing conditions"—the keynote at the association's convention



INSURANCE HEAD

Terence F. Cunneen, since 1924 a deputy of the New York Insurance Department, is the new manager of the National Chamber's Insurance Department. He prepared proposed amendments to the State's insurance law



AIRPORT BUILDER

Mrs. Lorina J. Spoontz, believed to be the only woman president of a large chamber of commerce, will spend more than three million dollars to beautify the Corpus Christi, Texas, seafront and build a municipal airport



FOREIGN TRADER

The United Fruit Company, which started 25 years ago with a capital of $10,000,000, has assets of $200,000,000 and Latin American investments of $150,000,000. V. M. Cutter, president, advocates South American trade



Is Thrift Still a Virtue?

By THOMAS NIXON CARVER

Professor of Political Economy, Harvard University

Illustrations by C. P. Helck

SAVE *and* Spend and the two are not inconsistent. Never in history has a people seemed more extravagant than we of the United States in 1928. Never in history has a people piled up savings as we are doing now. A human economist here tells why the two are reconcilable.

Elsewhere in this number Julius Barnes points out that we are creating a "quality market," a demand not only for more but for better things.—*The Editor*

ANY VIRTUE can, of course, be overdone. When it is so much overdone as to need discouragement rather than encouragement, it has become a vice. A virtue is merely a habit which, if increased, would result in individual and social benefit, or which, if decreased, would result in individual and social harm.

If we could imagine people living for many generations under the conditions of the children of Israel in the Wilderness, when they were supplied with daily manna, we could scarcely conceive of thrift ever becoming a virtue. Manna, it will be remembered, came fresh every morning and it spoiled if they tried to store it. Thrift was of no advantage there. But if they lived in a region with long cold winters or long dry spells, thrift would have been advantageous. A tribe which did not encourage thrift would not have survived. One way to encourage thrift is to reward it. One way to reward it is to call it a virtue or by some other good name.

Some concern has recently been expressed lest our people should become too thrifty. To some it seems that the time has already come when thrift should be discouraged. But modern machine production has made it necessary that money and effort be expended years before a consumable product is expected. This lengthening of the process of production is one of the outstanding facts of the present economic system. To spend money and effort long in advance of a reward is an act of thrift. Thrift is more necessary now than ever before. But, with our modern specialization, it is possible for some to live without thrift because of the thrift of others.

Thrift is still socially necessary, even though it may not be absolutely necessary for the individual. Unless some were willing to invest money and effort for future returns, modern machine production would be impossible. That is what is meant when it is said that thrift is socially necessary. But if some are willing to practice this kind of thrift on a large scale, others may, if they choose to do so, live from hand to mouth. That is what is meant when it is said that thrift is not absolutely necessary for each and every individual.

It is, of course, theoretically possible, even now, for the people as a whole to save too much and spend too little. If, to take an extreme case, everyone were to stop buying consumers' goods and begin investing all his income in farms and farm equipment, shops, factories and stores, our industrial system would be thrown out of balance. This wholesale buying of productive instruments would create a vast market for them. It would result in turning all our productive energy into the manufacture of tools and equipment. We should then find ourselves with vastly increased productive power, but with no one to buy the increased quantity of consumable products of industry. So much for the theoretical possibilities.

Before we begin warning people against this danger, it would be well to look around and see whether the people are really saving too much and spending too little or doing the opposite. Theoretical possibilities of this kind of danger seldom become actualities. It is seldom necessary to warn people against too much of any virtue. It is usually necessary to warn them against too little.

If too many sinners should change their sinful ways too suddenly, it might upset things considerably, besides crowding the mourners' bench. Not many evangelists have ever found it necessary to warn their hearers against this danger. Is it necessary at the present time to warn people against too much thrift?

Two very striking and seemingly contradictory things have been happening during the last decade. In the first place, our people have seemed to some, especially foreigners, to be indulging in a perfect orgy of extravagance. At the same time, they have been saving and investing their savings on a scale never before witnessed. They who concentrate their attention on the scale of consumption, and fail to notice the rate of saving, are invariably convinced that we are consuming too much and saving too little. They who concentrate on the rate at which our people are saving and in-

vesting, and forget how they are consuming, are likely to be impressed with the danger of too much saving.

The simple fact seems to be that incomes have increased enormously; but the ratio of saving to consumption has not changed greatly. The increased income makes it possible both to consume and to save on what formerly would have seemed a lavish scale. The probabilities are, however, that some are consuming their increased incomes and, therefore, giving the impression of extravagance. Others are consuming on the former scale and saving and investing all their surplus, thus giving an impression of extreme thrift.

Symptoms of Oversaving

GRANTING the possibility of too much saving, what are the symptoms? If there should really be too much saving, the first symptom would be the disappearance of interest on capital, or at least a marked reduction in the rate. If the country were once overequipped with productive machinery of every kind and if investible funds continued to increase in private pockets, bank deposits, insurance funds and corporate surpluses, interest rates would simply have to fall.

There would be so few opportunities for the productive investment of new funds that the savings banks would not be able to pay present rates on their increasing deposits. Insurance companies would not earn so much on their accumulations and could not allow such dividends as they now allow to their patrons. Corporations would have so little use for their surpluses as to make it unwise for them to reinvest their earnings.

Temporarily this would increase dividends since there would be nothing to do with their earnings except to pay them out in dividends. But another result would be a keen competition for the purchase of any kind of property that would yield any sort of income. The price of such property would rise to heights that would leave the investor a small percentage of return on his investment. The high prices for producers' goods, productive equipment and all income-bearing property would stimulate the production of such things until a new equilibrium would be reached at which capital would yield either no income or a very low rate of income.

So long as interest is actually paid, or so long as capital continues to yield an income, it is an indubitable sign that the country can use more equipment than it has. I am now speaking of pure or net interest, not of nominal interest on hazardous investments. Even if pure or net interest were to disappear, I should probably have to pay pretty high nominal interest if I wanted to borrow money for a risky enterprise or on doubtful security. I should have to promise to pay some lender at least enough to overcome his preference for holding on to his money as against letting it out of his own hands into mine.

Of course the rate of interest is a matter of demand as well as of supply. In spite of our increasing rate of accumulation of investible capital, interest rates will be maintained if the demand for capital should keep pace with the supply.

One important factor in the demand for capital is the rate of invention. The inventor in a very real sense is one who shows the world new ways of using capital, which is machinery, equipment and other labor-saving devices. In fact the inventor and the investor fit together, each tending, like the producer and the consumer, to help the other. The problem is to maintain a balance between them.

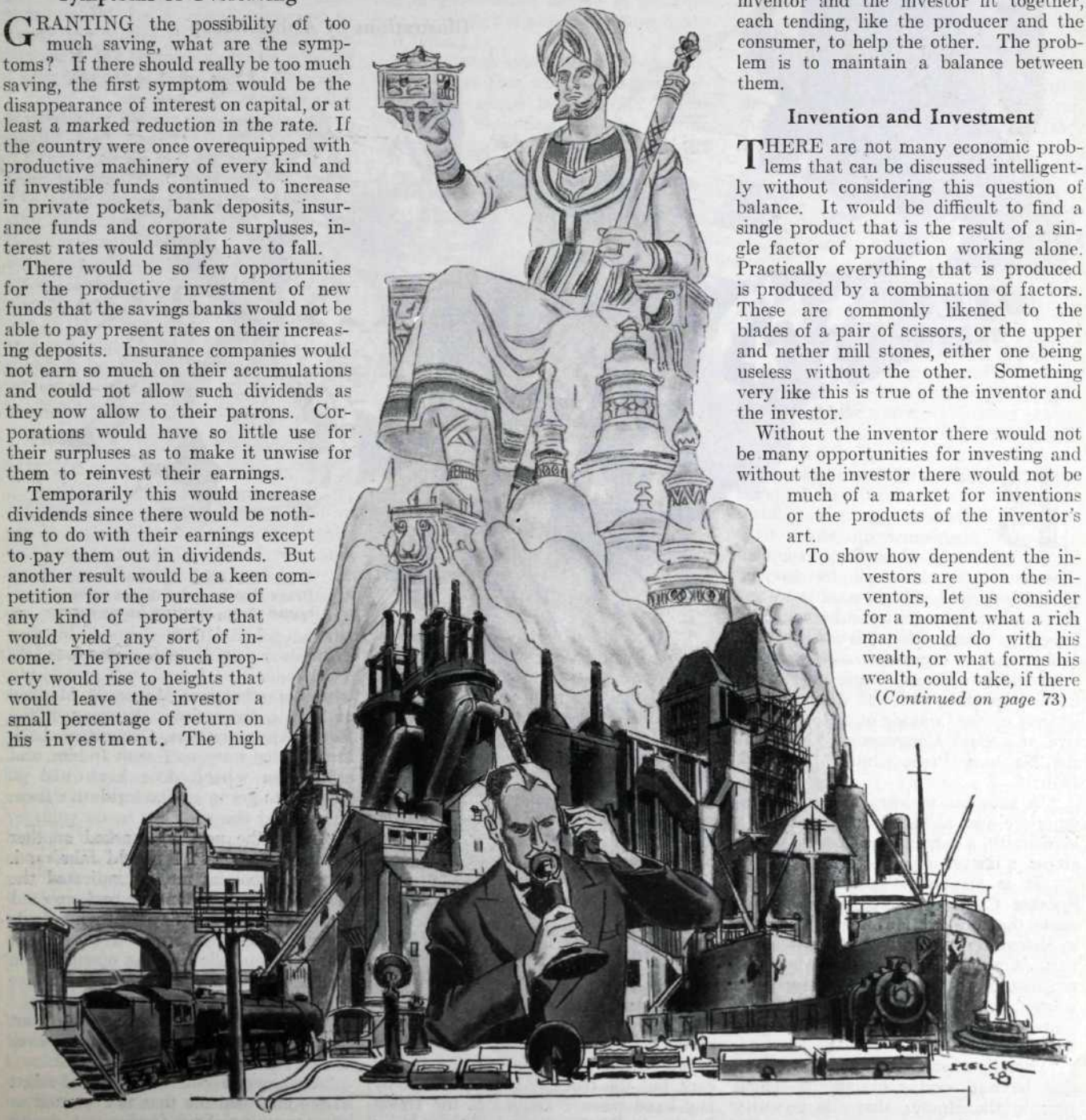
Invention and Investment

THERE are not many economic problems that can be discussed intelligently without considering this question of balance. It would be difficult to find a single product that is the result of a single factor of production working alone. Practically everything that is produced is produced by a combination of factors. These are commonly likened to the blades of a pair of scissors, or the upper and nether mill stones, either one being useless without the other. Something very like this is true of the inventor and the investor.

Without the inventor there would not be many opportunities for investing and without the investor there would not be much of a market for inventions or the products of the inventor's art.

To show how dependent the investors are upon the inventors, let us consider for a moment what a rich man could do with his wealth, or what forms his wealth could take, if there

(*Continued on page* 73)



The oriental prince is rich merely in articles of luxury. The business man's wealth produces new wealth. Thrift is socially necessary. Modern machine production would be impossible, unless men were willing to invest money and effort for future returns

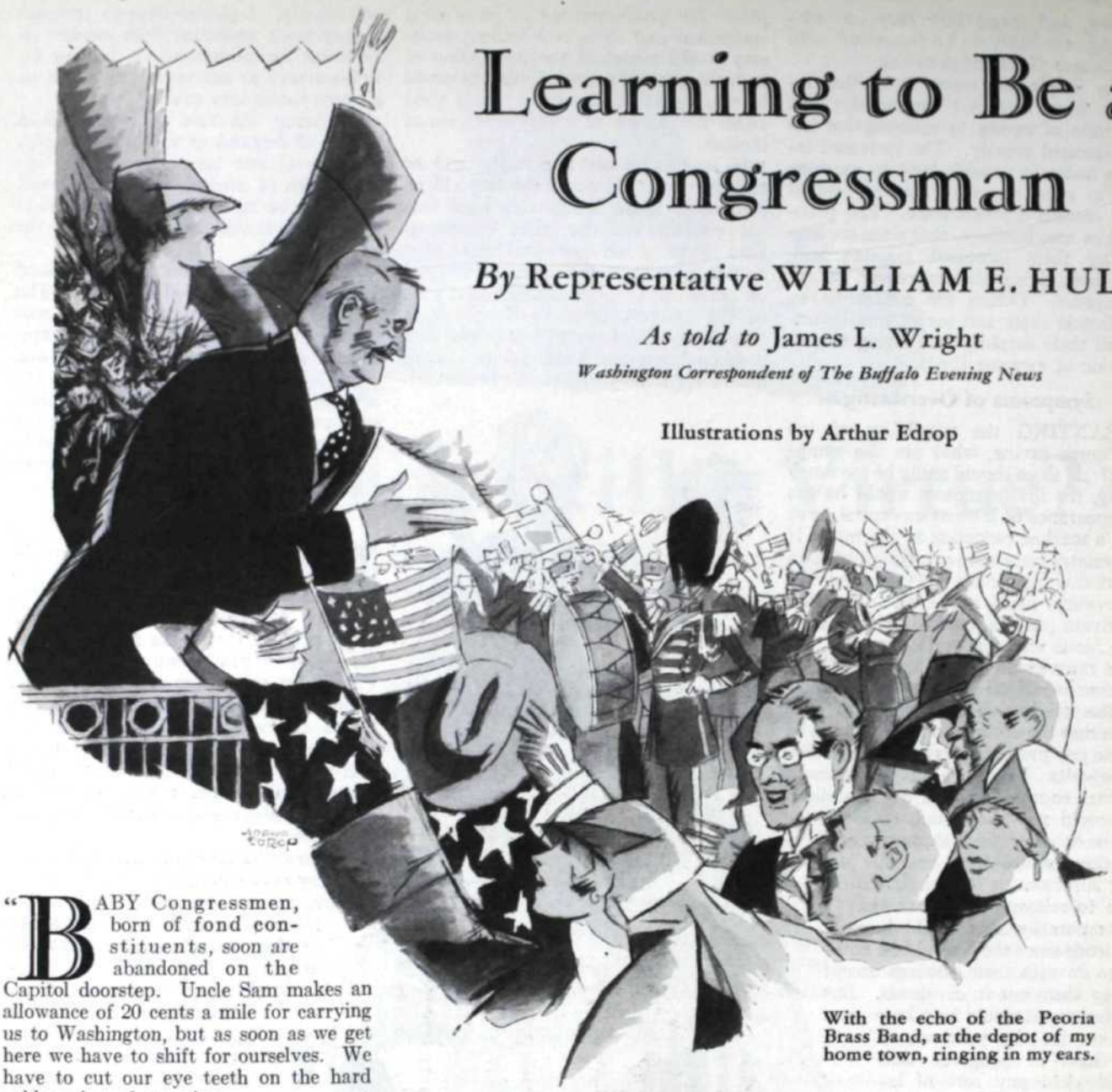
Learning to Be a Congressman

By Representative WILLIAM E. HULL

As told to James L. Wright

Washington Correspondent of The Buffalo Evening News

Illustrations by Arthur Edrop



With the echo of the Peoria Brass Band, at the depot of my home town, ringing in my ears.

"BABY Congressmen, born of fond constituents, soon are abandoned on the Capitol doorstep. Uncle Sam makes an allowance of 20 cents a mile for carrying us to Washington, but as soon as we get here we have to shift for ourselves. We have to cut our eye teeth on the hard rubber ring of experience.

"As the late Champ Clark put it when he was speaker, and was delivering an address on the 'Making of a Representative' at a 'Baby Congressmen's Night' at the National Press Club, March 16, 1916:

"'A man has to learn to be a representative, just as he has to learn to be a blacksmith, a carpenter, a farmer, an engineer, a lawyer, or a doctor.

"'It is an unwise performance,' so Speaker Clark continued after he had made that observation, 'for any district to change representatives at short intervals. A new congressman must begin at the foot of the class and spell up. Of course, the more brains, tact, energy, courage, and industry he has, the quicker he will get up.'

"Then Speaker Clark went on to show that he was serving his twenty-second year in the House; that the minority leader was in his twentieth; that the chairman of the Ways and Means Committee was in his sixteenth, and so on with all the chairmen of the important committees. They had all been in the House from 14 to 20 years.

"It is as true now as it was then that, under the present seniority rule by which the man who is the longest in point of service on a committee becomes its chairman, provided his party is in power, there is no short cut to an important chairmanship; but a man does not have to wait until he becomes chairman to accomplish results.

In Lonely Washington

"I PROBABLY was no greener than the average new member when I arrived here five years ago with the echo of the Peoria Brass Band, at the depot of my home town, still ringing in my ears, but the truth is I was not met by any band when I arrived at the Union Station in Washington. I did not know my way around the Capitol.

"I had been acquainted for many years with Representative Martin B. Madden of Illinois, the veteran chairman of the House Appropriations Committee, back in the home state, so I went to him, and asked him which door I should go through to get in on the legislative floor. He pointed the way.

"Inside the portals, I asked another member what seat I should take, and, after one look at me, he indicated the most remote place on the back row. I stayed there a few days with hundreds of empty seats in front of me during every session following the opening, and then I learned that no one in the House has a seat assigned to him.

"I promptly moved down in the front row, and I have been sitting there ever since.

"A seasoned legislator of whom I asked advice informed me that if I wanted to learn anything about Congress, I should sit in the House all the time it was in session, and listen to all the speeches

that were made, regardless of whether the subject interested me. When some of those speeches for home consumption were delivered, I was the audience. I stayed there for three months, and I did not know as much as when I started.

"Next, I was informed that the way to win recognition quickly was to study the rules of the House, so I could take part in the parliamentary debates and discuss whether this or that subject was germane to the subject matter of a bill or was subject to a point of order. I soon gave that up. I am not a lawyer, but as 90 per cent of the members of Congress are lawyers, I thought they could wrestle with such matters.

"I decided that with fewer than 10 per cent of the members business men, there would be a chance for me to apply the tactics that has brought me success in the business world long before I ever thought of being sent to Congress. I began to develop my contacts and started after the big things in a go-get-it spirit.

"As a matter of fact, the day I arrived in town I told my secretary that if I could do something here I would stay, but that if I could not I was going back to my business at home. I was not a candidate for this job in the first place. The first intimation I had of any plan to send me to Congress was when one of the home papers ran my picture as a candidate. On the same day I declined to be a candidate, but the paper carried at the bottom of my formal declination the statement:

Getting a Good Representative

"'THE citizens will not accept this declination. He must run!'

"Soon after that 200 citizens called at my house, carrying a petition in a market basket requesting me to run, and signed by 15,000 people, residents of Peoria, and at a business men's luncheon three days later it was decided that I should become a candidate for the Republican nomination. I was nominated and elected then, and I have since been twice re-elected by increased majorities.

"I have related the foregoing so that you may get an idea of my mental attitude when I came here as a baby member of Congress. You have been frank enough to tell me that you do not care anything about me personally, that you have no desire to boost me, that you do not want a character sketch of me, that you look upon me merely as a vehicle that has traveled the rocky road of a new member. You want to show how a business man learns the trade of legislating."

It is not unfair to say that Mr. Hull, who related the foregoing to me, was selected by NATION'S BUSINESS to tell the experience of a new congressman, because he seems to have had more than ordinary success in breaking down the barriers of tradition and precedent that always are raised against a new legislator.

Two conspicuous victories are chalked up to Mr. Hull's credit, along with many lesser ones, and he has attended also to the great volume of routine work that falls on the shoulders of every member of the House and Senate.

In the first place, he succeeded in getting through Congress the authorization of a $3,500,000 project for the deepening of the Illinois river from Utica to Grafton, Ill., as the connecting link in a project for a nine-foot shipping channel from the Great Lakes to the Gulf of Mexico.

Keep Uncle Sam Out of Business

NEXT, he led the fight on the floor and defeated an administration bill, which would have appropriated $80,000,000 of government money to set Uncle Sam up in the business of distilling medicinal liquor.

The bill was killed, because he amended the bill so that whatever liquor might be needed would be made by private distilleries, authorized by the Government to resume operation, but with their profits limited by law to ten cents a gallon. Under that restriction, medicinal spirits could be put on the market at 80 cents a pint for four-year-old bonded whisky.



I was not met by any band. I didn't know my way around the Capitol

Mr. Hull's work at the Capitol, his ability to cross over the party line and unite Democratic and Republican votes on waterway projects when there was not a majority in either party for a measure, has been such as to attract the attention of President Coolidge, and the Chief Executive has called this comparatively new man to the White House to commission him to do the work necessary to get through certain administration projects. He was made a member of a commission that the President sent to South America to work for unity in the construction of good roads.

"Whatever success I may have had," Mr. Hull declared to this writer, "has been due very largely to disregarding the advice of the old-timers and in numerous instances I have gone contrary to the advice of my own congressional district. Take the fight for the Illinois waterway as an example. My old friend, Martin Madden, landed me on the Rivers and Harbors Committee, which was the assignment I most desired.

"I promptly introduced a bill for the waterway development. Mr. Madden told me I was foolish to do that. He said that every representative from my district had done the same thing, but that the bill never got anywhere. I developed my contacts with my colleagues. The bill finally was reported, and passed. This year the initial appropriation of $550,000 is being made for the work.

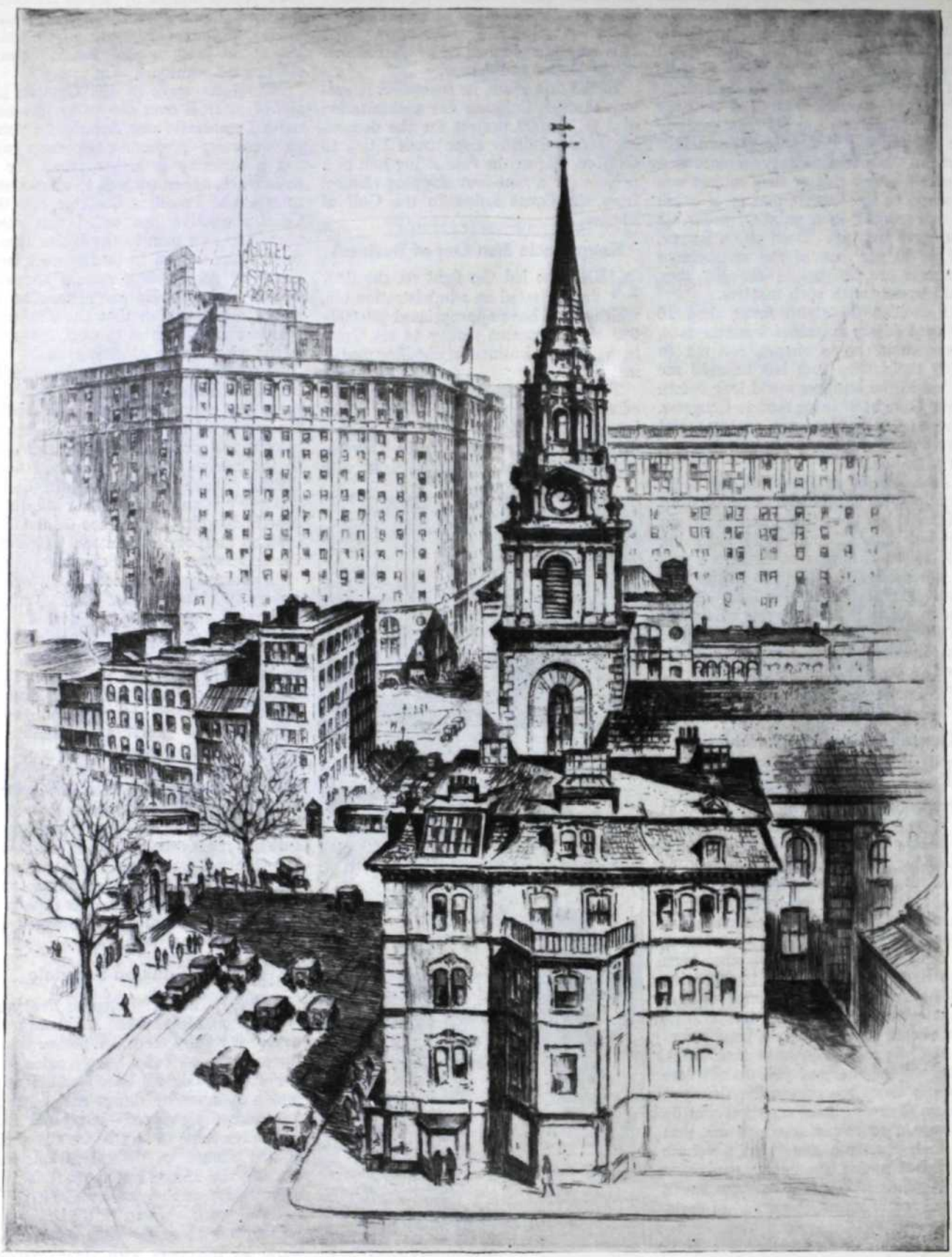
"I think I see matters in a somewhat different light from that of the average member of Congress, because I look at them through the eyes of a business man. I do not regard the budget as Holy Writ. My theory is that when the Government embarks on a big building project, the work should be prosecuted as rapidly as possible, instead of being dragged out over a period of years.

House Runs on Schedule

"I HAVE been in Congress five years now, and I feel that I am about ready to lose my baby teeth. Whether that is the case or not, I feel I have made good use of them, because I have set my teeth into a number of things and hung on until something ripped—in my direction.

"I have come to appreciate the ability of the House to do things on time. Usually the House has to wait for 'another body,' as they say on Capitol Hill, to do its work. We mark time for weeks waiting for them to catch up, because those 96 members with their privilege of unlimited debate talk so much longer than our 435 members do under the rules of limited debate.

"With a good speaker and a good floor leader, the House can handle its legislative business in a businesslike way much better than the Senate can, no matter how much the Vice-President may rant about the archaic rules of that body."



V. The Spirit of Boston

An etching by Anton Schutz

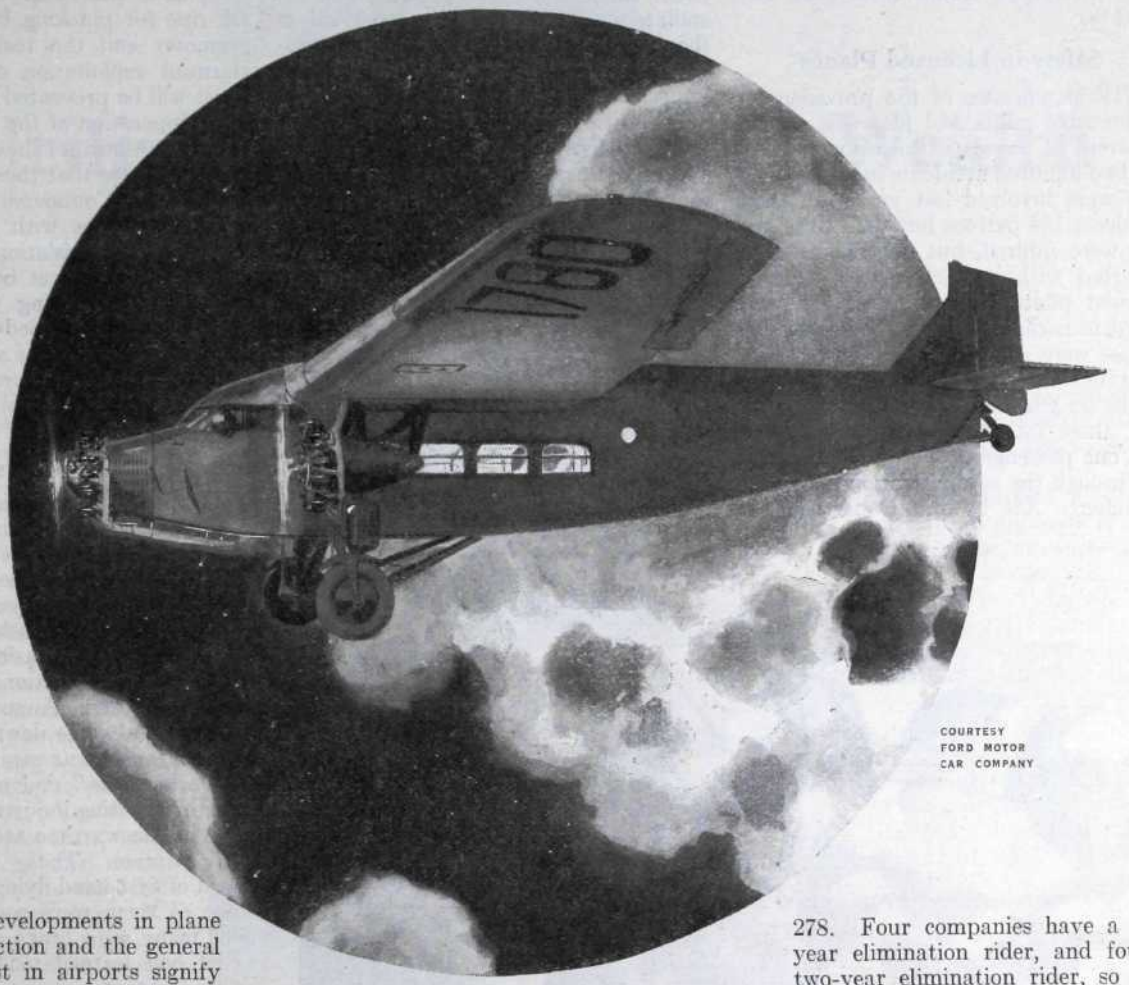
BOSTON—typical of American independence and pride, music and literature—truly the cradle of the nation's industry since the days of the Minute Men and the famous tea party.

Historic Arlington Church rests comfortably among modern buildings—the Hotel Statler, left, and Park Square Building, right—the old and the new merged in the spirit of the times

Business has accepted flying—flying has become businesslike

Stabilizing Aviation

By RAYMOND WILLOUGHBY



COURTESY FORD MOTOR CAR COMPANY

LIFE insurance companies are now issuing policies to cover air pilots and passengers. One of the largest accident companies has found that the hazards of licensed aviation are little greater than those of pedestrians or motorists

THE developments in plane production and the general interest in airports signify the active and resourceful state of the aircraft industry. A more convincing proof of the progress of aviation is, perhaps, in the knowledge that insurance policies issued by a number of leading companies now cover pilots and passengers. This action by the companies indicates a remarkable advance in the security of aerial transportation, for no reputable company could afford to invite losses or to jeopardize its good name and good will.

It is the reasoned conclusion of Dr. Lawrence G. Sykes and Dr. William B. Smith, of the Connecticut General Life Insurance Company, that the present interest and participation in travel by air affects each and every life insurance company at this time, and will affect the companies more and more in the future, for, they say, "after millions of years of two-dimensional life, man has started to move and think in three dimensions."

These doctors have established the important fact that the policy contracts of 42 of the 50 leaders in volume of business in force January 1, 1927, have no clause eliminating liability from aeronautical activities. The volume of business, thus represented is $67,512,454,278. Four companies have a one-year elimination rider, and four a two-year elimination rider, so that on the volume of business two years old, "each and every one of the 50 leaders in the United States and Canada are covering travel by air to the extent of $73,276,680,279."

No less enlightening is their finding that "One other factor which will, in the near future, cause all life insurance companies to face a decision, at least as to passengers, over established air routes between definite points, is the action of accident companies. During the past six months many have liberalized their policy contracts to cover for any loss caused by any hazard of aviation while the insured is riding as a passenger in a licensed airplane operated by a licensed pilot upon a regular established route between definitely established airports. One of the largest accident companies in the world, after a survey, found that the hazards of regularly established and licensed aviation

are little greater than those which beset pedestrians or the occupants of automobiles."

Certainly the hazards of flying are less because of the Air Commerce Act of 1926. That legislation is the "good roads" law of aviation. It was enacted to foster and to sponsor air commerce without subsidy, to regulate the use of aircraft, and to provide a system of national airways. Under this law the public is assured of the use of airworthy planes flown by competent pilots in accordance with prescribed traffic rules over safe airways.

Safety in Licensed Planes

THE significance of the provision for licensing pilots and planes is readily apparent in the statistical complexion of the two hundred accidents in which civilians were involved last year. In these accidents 164 persons lost their lives, and 149 were injured, but only 34 mishaps occurred with licensed planes. Eleven licensed pilots and 22 passengers were killed in licensed planes. The other casualties were charged to unlicensed craft. Despite the magnitude of air route operations on schedule, only seven lives were lost, these fatalities including six pilots and one passenger.

Through the administration of the Air Commerce Act by the Department of Commerce, the national airways are being constructed over the best routes for flying between commercial centers, and they are provided with facilities for safe flying by day and by night. These facilities include intermediate landing fields, a system of airway lighting, a comprehensive weather service, fast communications for making the weather forecasts available to pilots, and a system of radio beacons and radio telephone communication to airplanes. The lighting system, weather service, and communication devices are now in process of installation. The radio service is still in the development stage, and will be provided as soon as the necessary equipment is perfected.

In putting aviation on a more businesslike basis the contributions of the Weather Bureau are notable. Thirty-four "upper air" meteorological stations have been established, many of them at airports. Weather information collected throughout the United States is transmitted to the Weather Bureau offices at 8 a. m., and at 8 p. m. This information, together with the reports received from the "upper air" stations, enables the Weather Bureau to prepare forecasts of flying conditions. These forecasts are sent to airports in time to be available to pilots before taking off.

How well this legislation has fostered commercial aviation is indicated in the scope of flying operations over established routes. Every day the aggregate mileage flown over national airways by planes of the sixteen air transport companies is about 19,800. These planes carry mail and express on regular schedules. Some of the lines have begun passenger service. Four lines engaged in passenger and express transportation exclusively fly 2,200 miles daily.

There is danger, of course, that the surging interest in flying will invite unscrupulous practices. Aviation's wings are ripe for plucking by the fake stock promoter and the real estate sharper. Harmful exploitation of the public interest will be prevented only through the wise cooperation of the industry and the various authorities having jurisdiction. It is fortunate that the provisions of the national Air Commerce Act provide the individual states with excellent models for their own legislation. The fact that aviation has not yet become a political football is a blessing without disguise. So far it has escaped the demagogue. But sovereignty of the air, interstate and international, will more and more get into the news. It is the stuff of which headlines are made.

Flying Grows Stable

IT IS plain that aviation is making history, that it is accumulating a useful tradition. But more accessible facts are needed to impress the financial world with the stability of commercial flying. Bankers and economists want the item and the detail of business, rather than the broad generalizations that may measure its success. A good many planes went up and came down before the balance-sheet age was attained. Stunt flyers, "war birds," and engineers zoomed into this inviting industry, and made the most of the wartime acclaim of aviators and aviation. These pioneers had a world of first-hand flying knowledge, and some of them were good designers. A good many went broke. Those that survived had learned modern methods of doing business.

This rigorous test of competition has developed a wholesome recognition of the importance of systematic accounting and scientific management. But more experience is needed before air route operators can attain a dependable alignment of costs.

A timely illumination of the factors in operating expense is provided in the following statement by Maj. Gen. John F. O'Ryan, president of the Colonial Air Transport:

. . . upon the basis of the meager character of operation which now obtains throughout the country, the cost figures vary, according to the accounting methods employed, the type and horsepower of engines used and the design and size of the "ships." . . . With these differences in mind, it may be said that the estimates which have been made by operating companies vary from 35 cents a mile to $1.00 a mile for single-engined "ships," and from

(Continued on page 96)



BROWN BROS., N. Y.

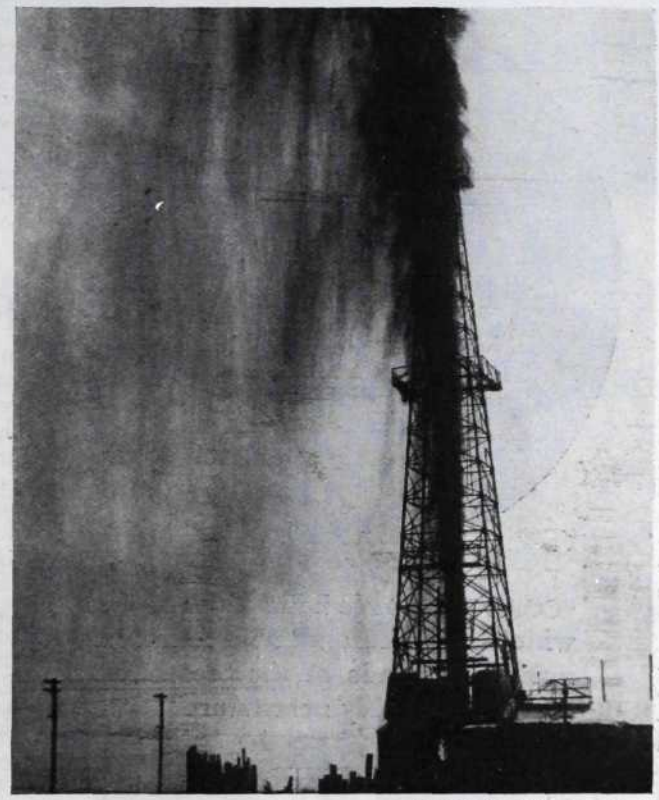
Planes flying over regular routes last year carried 2,000,000 pounds of mail. In six months they transported 1,045,222 pounds of express and nearly two thousand passengers



Utilizing Our Natural Wealth

By HUBERT WORK

Secretary of the Interior



INTERNATIONAL NEWS REEL, N. Y.

THE OIL GUSHER may look like ready money for the producer, but is it? Intense competition is today creating a waste problem in the oil industry so big that it is national in extent and interest

THE TIME has come when we must invoice our resources and determine how we should proceed from here. For a nation begins but once.

From Jamestown and Plymouth a virile, acquisitive people have pushed the frontier before them until it has vanished. The Conestoga wagon, the canal, the steam railway, the automobile and the airplane have followed each other in rapid procession —all within the memory of father and son. Towns and cities have been built, many of them among the world's largest, and more than half our people live in them. We help win wars for other nations and lend them money with which to mend their wrecked fortunes. We are admittedly the richest, most powerful nation in the world and we took this power of wealth out of the ground.

Consumer Nation

AT first we were an agricultural country. Now we are becoming a manufacturing nation. We are already a consumer nation rather than a food-producing people. This is immediately profitable to the farmer, but promising to continue only so long as the consumer has a purchasing income. But other nations are manufacturers and consumers rather than producers of foodstuffs, and we are compelled to sell our fabricated goods to ourselves. It is estimated that our population will increase to 300,000,000 within the next century. As our population increases, with its accruing needs, public interest in the management of the country's natural resources naturally becomes more active and the problems with which those in charge have to deal become correspondingly more complex and more exacting.

We cannot speak of commerce and business today without speaking of natural resources and we cannot speak of natural resources today unless we refer also to their conservation.

Yet complete conservation of natural resources is not possible if the advance of civilization is to continue.

There are those who believe our mineral resources to be inexhaustible, and others, like the doctor who sent his bill to a woman for "curing her husband until he died," believe in "conserving" the natural resources until we all are gone. Practical conservation is intelligent use of the endowments of nature.

Depleted Soil

WE now realize that the pioneers who have traveled for generations with the sun in their faces have depleted the soil, exhausting and abandoning much of it. Already it must be artificially fed even in the Middle West, where it was once thought to be inexhaustible.

We have mined the soil from both sides, its surface and beneath it, until thoughtful men are alarmed for our future resources for a multiplying, inventive people.

Conservation in recent years has lost much of its theoretical flavor and is now understood as having to do with everyday life. In simple terms, conservation is taking thought for the morrow. It is a forward-looking, constructive process.

If it has taken on new meaning and acquired greater emphasis it is because we are living in a time of increasing de-

pendence upon raw materials. Now we are in the midst of an industrial age, which has developed what some believe to be almost complete utilization of our natural resources.

And yet, who is competent to speak of the future in respect to the discovery and adaptability of what nature has provided? Whenever we fix limits, we seem to challenge nature and new discoveries crowd the headlines. We do not ourselves know to what new uses our discovered resources may be applied, nor how those yet hidden may supply man's needs. The romance of mining has had many chapters, but the word "concluded" cannot yet be written at the bottom of the page.

Eighty Years and 1000 Books

OIL conservation is perhaps the phase of conservation that possesses the most news value as well as economic interest just now. Nowhere is the nature of the new tasks confronting us more strikingly shown than in the proposed development of the lower Colorado River—the development better known as the Boulder Dam. The entire project is prominently before the Congress now. It is no new plan, this. Investigations and reports concerning it cover a period of eighty years, its bibliography comprises 1,000 books, articles and maps, and more than a million dollars has been expended in connection with it.

It is encouraging to review the extent to which the idea of practical conservation has taken hold of the American people. It is the opinion of Dr. George Otis Smith, Director of the United States Geological Survey, that the supply of mineral raw materials and not of food-stuffs is the more likely to influence the size of families when the economic pinch comes.

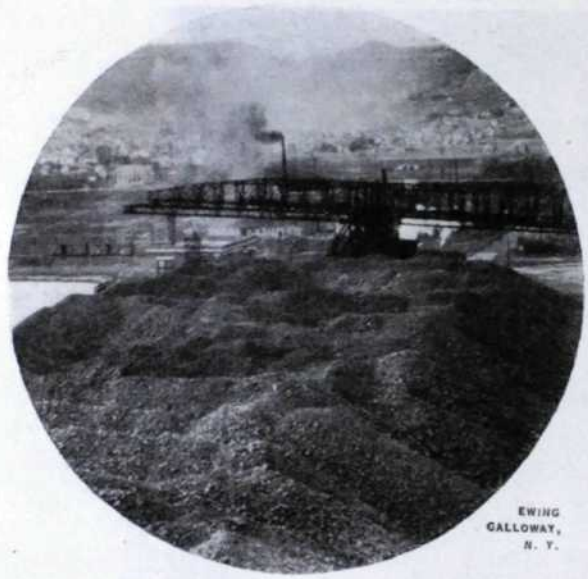
Copper, for example, is so important to our present civilization that its consumption increased 63 fold in the hundred years following the Napoleonic wars, while the white population of the world has increased only threefold. Authoritative estimates of the United States petroleum reserves have varied at the most only 75 per cent, but the annual rate of consumption has increased more than sixfold in the last twenty years.

A lack of platinum ore or a worked-out phosphate deposit therefore presents a deficit quite different from a shortage in wool or wheat.

Let us take the question of coal thrift. The railroads have a very definite program in fuel conservation. One hundred and thirty-one pounds of coal was enough to haul 1,000 tons one mile in 1927—the best record known. This was six pounds better than in 1926 and about 45 pounds better than in 1920. Likewise the power plants that produce our electric current—a string of 4,000 electric stations extending from coast to coast—are breaking fuel-saving records every year. In 1927 on the average the burning of 1.84 pounds of coal generated a kilowatt hour of electricity, whereas eight years before it took 3.2 pounds of coal to do the same work. The best stations are doing even better; .85 pounds now and 1.62 in 1919.

Coal presents some interesting statistics. The Gillette Coal Field, in Wyoming, contains about 14,500,000,000 tons in workable seams. The huge tonnage of this single coal field may be compared to the total amount of coal mined to date from all the coal mines in the United States—17,800,000,000 tons. Two of the coal beds are together 75 feet thick. A considerable part of this coal is owned, by the way, by the United States and is subject to development under government lease.

Production of bituminous coal during the calendar year 1927 was 519,804,000 tons, while the total production of anthracite for 1927 was estimated at 80,652,000 net tons, these estimates being subject to slight revision.



EWING GALLOWAY, N. Y.

"COAL MINES are being opened for which no excuse can be found in market demands of the present or of the reasonably near future"

The original coal supply of the United States is estimated at more than 3,000,000,000,000 tons, while the annual consumption is 600,000,000 tons. Between five and ten per cent of this magnificent resource is situated on the public domain. But there is much economic waste, some unnecessary waste of life, and too large a loss of products mined that are not readily marketable.

The mining supervisors of the Department of the Interior are striving earnestly to keep these wastes at a minimum.

Leases are granted for coal lands and mines are opened for which no excuse can be found in market demands of the present or the reasonably near future. Excessive competition, unreasonably cheap prices at the mine, and the waste that inevitably results from haste and cheapness of product follow in due course.

The known oil and gas resources of the United States are much more limited in extent than the solid fuels. For years the maintenance of production has been dependent on new discoveries, and the areas in which new discoveries can be made are growing fewer and fewer year by year.

The old proverb that haste makes waste is nowhere more evident than in present practices in the production of liquid and gaseous fuels.

The greed for gain or protection therefrom compels each landowner or lessee not only to obtain from the acreage he controls the oil or gas found beneath its surface but to draw so far as practicable from that under his neighbor's land before it can be reduced to possession by another. Not only does this lead to wasteful practices in drilling and production but the balance between available supply and market demand is so evenly drawn that slight overproduction results in economic confusion and waste.

More Oil; Less Money

FOR example, from November, 1926, to March, 1927, increase in production of some 200,000 barrels of oil per day in Oklahoma resulted in a decrease of more than $400,000 in the value of oil production in that State and in similar loss to producers throughout the country. Nor is the producer's loss reflected in a gain to the consumer. Some slight temporary gain to the consumer there has been, but in the long run his loss will exceed that of the producer. A measure of regulation by the industry itself, or, failing in that, legislation may be expected in the reasonably near future.

Intense competition is today producing a waste problem in the oil industry so big that it is national in extent and interest. Unless the industry is able to cooperate, huge losses are inevitable.

Overproduction is no longer a debatable issue. Whereas a few years ago the optimists in the oil business kept up their courage by denying both the fact of the present surplus and the possibility of future deficit, all now are in agreement that the oversupply of an expendible resource is the sure portent of future famine.

Overproduction today is injuring millions who have their wealth invested in oil properties; it is injuring the great producing and refining companies; it is

(*Continued on page* 151)



Riders of the Winds

Planes, talking things over, entertain a modest visitor

By BERTON BRALEY

Illustrations by R. L. Lambdin

THE Ryan monoplane had dropped out of the sky that morning, swooped to a swift and perfect landing and taxied up to the hangars. The tall blonde pilot stepped out of his enclosed cockpit and was greeted enthusiastically by a group of four or five mail-pilots. Then the group had strolled away, leaving the ship to be looked after by the ground crew.

There were not at the time many planes on the Aerodrome to notice the visiting ship—and even if there had been he would have been accepted as one of a profession. For there is something about the way a ship flies or comes to rest that marks the professional from the most skilled amateur. That something the Ryan had—indubitably.

And in a busy commercial 'drome, devoted mostly to freight and mail planes, but used to everything from a Heath Humming-Bird with a twenty-six foot wing span and a 25-horsepower engine to a Remington-Burnelli with a three-ton capacity and a thousand horsepower—the advent of one visiting plane was nothing to get excited about.

A Mercury Night Mail Ship—which flies by day as well as by night, despite its name—was standing in its chocks being loaded while the inspectors were giving the engine the last look-over and the riggers were testing the struts, stays and controls for its daily flight.

"Howdy, stranger," said the Mercury, cordially. "Where did you pull in from?"



"And they've got two ground lights you can see for forty miles—unless there's a fog."

"Chicago," said the Ryan.

"Quite a hop," commented the Mercury. "Five hundred miles, isn't it?"

"About that," said the Ryan. "But touring around the way we've been doing you get used to longer legs than is usual with a mail-plane."

"I suppose that's right," said the Mercury. "You're not a mail-carrier then?"

"Nope," replied the Ryan. "Post-office specifies Liberty motors and mine's something else again. But my pilot got his best experience flying mails, and he sure is a stickler for being on time. Great training for running on schedule—this mail business."

"I'll say," agreed the Mercury. "Nothing but fog that fouls our propellers keeps us from starting, and a crash is the only excuse for not getting in on time."

"Crashes," said the Ryan, "are always somebody's fault. Way they build us nowadays they're either due to faulty inspection or to a pilot's incapacity or foolhardiness."

"That's a pretty drastic way of viewing it," said the Mercury, "when there

are so many things that can happen to a ship."

"Every one of which can be guarded against," said the Ryan. "They build us strong and they build us tough for the job we're supposed to do. We're equipped with instruments to keep us on an even keel, to show us our elevation and our speed, how our oil and gas are feeding, and controls that are designed to meet every air-emergency. Put it down as something I said that short of getting caught in a tornado that springs up out of nowhere, or being struck by lightning, there's no excuse for a crash.

Crashes Are Rare Now

"OF course if some inspector hasn't done his job, or a ground crew has slacked its work, or a pilot tries to get more out of his ship than it was designed for—then there may be a crash. But it's somebody's fault, every time."

"Never thought of it that way," said the Mercury, "but it's likely you're right. Certainly crashes are getting less and less common. I know this fleet has been carrying mail and freight and passengers for two years and hasn't lost a pilot, a passenger, a bag of mail or a ship. I've done ten thousand miles myself and haven't even side-slipped to amount to anything."

"Mail-pilots are good pilots," said the Ryan. "I've done a little *more* than ten thousand miles myself and the worst that has happened was that we were two hours late once. My pilot was a mail-pilot as I told you."

"Well, good air to you," said the Mercury, as his propeller started to spin, "I'm hopping off. Maybe I'll see you again when I come back."

"Good air to you," replied the Ryan. "I think we're climbing out again this afternoon, but I'll probably drop in on you again some day. We sort of tour around, you know."

The Mercury's pilot climbed into his seat and soon his ship was in the air, singing, as it reached a thousand feet and settled into its stride, the song of all happy ships—but you shall hear that song a little later.

The departure of the Mercury left the Ryan alone for several hours, except for the mechanics clustered about it. Considering the fact that they were not working on the ship, they showed an extraordinary interest in it.

But this story is concerned with what the planes themselves do and say, and mechanics, however skilled, are merely incidental.

It was several hours before any other ships appeared to companion the Ryan, but in the middle of the afternoon a Curtiss Carrier Pigeon was rolled out of its hangar and greeted the Ryan with a courteous,

"Good air to you."

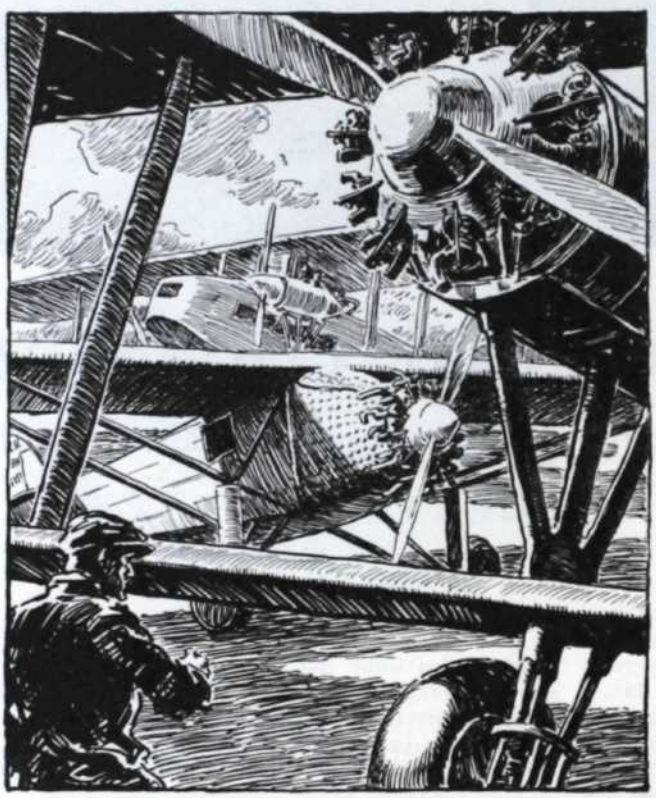
"Same to you," said the Ryan. "Hopping off?"

"Pretty soon," said the Curtiss. "I take off a few minutes after the Glenn Martin comes in from the west. I think I hear him now."

The distant drone of a plane confirmed his words. Before long the Glenn-Martin 70 circled once around the 240-acre Aerodrome, then with its propeller idling dipped to a pretty three-point landing and taxied up the field and stopped beside the Curtiss.

"How's the air?" asked the Curtiss.

"A bit flawy and bumpy below two thousand," said the Martin, "but then, that's usual. You know the proverb, 'the higher the fewer!' Visibility's good, and though you'll have to buck a head wind going back, it's nothing to overheat your cylinders about."



"You speed ships are laboratory ships. You test out engines, and wing shapes, and lines, and everything like that for the rest of us."

"Whaddyuh mean, overheat my cylinders," said the Curtiss. "You talk as if I made a habit of getting incandescent. Liberty engines don't get het up in hurricanes, let alone an ordinary breeze."

"Keep your ailerons on," said the Martin. "Who said you did overheat? I was just using the phrase in a general way."

"Anything happen on your trip?" asked the Curtiss, mollified.

"Lady passenger screamed when we bumped a little at first," said the Martin, "guess she thought I was going to crash every time the air thinned a bit, but otherwise the trip was uneventful. Aside from one forced landing—nobody even jarred—I've done twenty thousand miles without missing an explosion. I ain't any racer, but safety and reliability are my middle names. Anything doing here at the 'Drome?"

"I'll say there is," the Curtiss replied, "we've got a bunch of hyphenated Limeys in the hangars."

"What are *they* doing over here?" asked the Martin. "What makes them think *they* can teach us anything about aviation?"

"There's a lot of things they *have* taught us," spoke up the Ryan. "In fact if the British and the French and Dutch and Germans hadn't shown the way *we* probably would still be thinking that planes weren't any good except for war and exhibition purposes. It's the foreigners who gave us the hunch on commercial aviation."

"Well," said the Ford-Stout, which had just rolled out of the hangar, "I'm 100 per cent American, and I don't see why that lot of ten-ton trucks need to be imported to high-ceiling us. I tried to talk to those babies, and they stuck their blunt noses up in the air and said 'Really' and 'Quite so' until I came pretty near to slapping 'em on the struts with my propeller. Snobs!"

Shy Elephants

"KEEP your tail down, brother," advised the Ryan. "Those Britishers are all right when you understand 'em. They're not snobs at all—just shy and diffident. Not used to meeting strangers, you know. Just kind of kid 'em along awhile and all at once they'll open up and be regular fellows."

"Regular elephants, you mean," said the Ford-Stout. "Lookut that Armstrong-Siddeley mammoth, for instance. Looks like a rubber-neck wagon. What's the use of a clumsy brute like that?"

"His use is," said the Ryan, "that he can carry twenty passengers and a lot of luggage and a wad of mail. And don't fool yourself about his being clumsy—course he can't maneuver like a racer, but give him room according to his strength and he'll take off, fly and land as gracefully as anybody else."

"How come you know so much about these foreign ships?" asked the Stout.

"Oh, I've heard my pilot discuss 'em occasionally," said the Ryan, "and I've been in one or two foreign aerodromes."

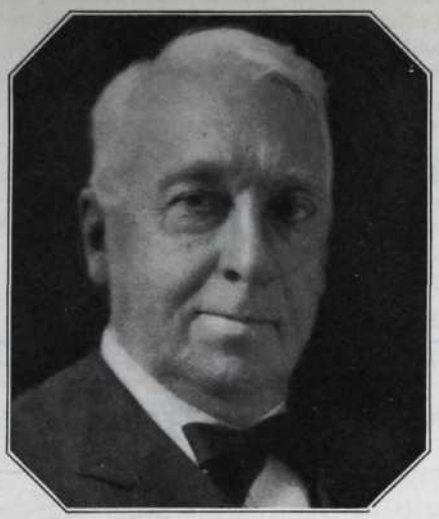
"I see," said the Stout, "you're one of these here expatriates."

"Have it your own way, brother," said the Ryan. "I admit I've been abroad."

"But what," asked the Glenn-Martin,

(*Continued on page* 68)

"The wage earners are the spenders of the nation, and upon their ability to spend freely the general business of our country depends"



"Scheduled fast freight trains will bring about a revolution in business methods, justifying the so-called 'hand-to-mouth' buying"

Speeding Up for Prosperity

By SAMUEL M. VAUCLAIN

President, The Baldwin Locomotive Works, Philadelphia

IF WE are anxious to improve our present conditions we must immediately get busy from the cellar to the garret, from the lowliest laborer in the land to the most opulent employer, and must all adopt as our slogan, "More business at any cost." Should we not benefit directly we shall indirectly, and it is sometimes indirectly profitable to lose money for a short space of time.

The continuance of good times for the employed and general business prosperity depends largely upon maintaining throughout this land the highest possible wage rate that can be paid to those who labor for a livelihood. It matters not what the occupation may be, the common laborer, the mechanic, the bank clerk, the professional subordinate of all classes should be more seriously considered by those who are their employers.

Good Wages Make Prosperity

WE should rise above paying only such wages as the supply and demand require us to do; we should pay a living wage to all, and then with well-paid assistance hustle to continue in business.

The wage earners constitute the great majority of our population. These people are the spenders of the nation, and upon their ability to spend freely the general business of our country depends. Manufactured products of all kinds must be furnished them as well as the necessary staples of life. It is the wage of these people that makes times good or bad, dependent on what they are earning over and above the actual necessities of life.

The farmer and the tradesman look to them as a market for their products, and if the wage earner is short of funds all trade suffers and general business suffers severely.

The standard of life among the masses has advanced greatly since the world war, and it must not move backward. The foreign imports, if I have observed correctly, during 1927 amounted to practically four billion dollars. If we consider that the average payroll of a manufacturing plant is in excess of 30 per cent of its gross sales, it is apparent that, if only 30 per cent of this four billion of dollars be allotted to labor we could have for distribution to our various wage earners about $1,200,000,000, all of which would be distributed among American producers. The present import of foreign articles deprives the American workingman of at least 30 per cent of sales value for additional employment and consequent wage.

Our transportation organizations are affected as well as the merchant or the farmer. Foreign importations should be avoided by all concerned. We may profit individually by buying foreign goods at less than American manufacturers can produce, but the injurious consequences to general business more than offset this selfish gain.

It is my observation that German manufacturers are now even being furnished American money to enable them to finance their operations, which are principally directed against American trade in foreign lands.

Another economic factor that needs constructive consideration is the coal business. Surely the general abandonment of power houses by manufacturing plants should not escape the notice of those engaged in the production of coal. Pulverization of coal will enable consumers to use grades of fuel now thrown into the discard. We cannot look forward in 1928 to an increase in this commodity. All we can hope for is that increased business throughout the country may enable it to avoid retrogression. The ascendancy of the economic engineer is the reason for the conditions in the coal trade.

Better Locomotives Hurt Coal

LOCOMOTIVES are now being built that use from 25 per cent to 40 per cent less fuel while doing the same or even better work than those built not more than five years ago. High pressures in both railway and stationary power units, accompanied by feed-water heaters, superheaters, and various other appliances that save heat units as their special business, are sounding the death knell of coal production through decreasing the coal consumption per unit of work performed.

All the by-products of coal must be carefully conserved, because scientists now claim that the using of coal merely as fuel wastes valuable substances which could be preserved if the necessary apparatus is installed. In other words, heat is treated as a by-product instead of the primary aim.

Our transportation companies by their sagacity have enabled the average consumer to carry a large portion of his inventory or "work in progress" in the cars of the railway trains in transport.

The manufacturer and the merchant no longer consider the freight rate of the first importance because the regularity in arrival of their consignments permits them to save other charges, which in some instances exceed the freight rate paid to the railway company. Scheduled

fast freight trains, of which the Pennsylvania Railroad Company has more than sixty in operation at the present time, certainly will be operated by other lines, and that very soon, and this I am sure will bring about a revolution in business methods, justifying hand-to-mouth buying which is occasionally practiced.

Also, the motor truck is now aiding our large stores and sales organizations. Local traffic is greatly expedited by them, and we are only at the beginning of their adoption. Motor buses are sure to facilitate movement of both passengers and freight to our railway lines, and this will largely outweigh any parallel competition now felt by railways. Locomotives now make more than double the mileage of the engines of fifteen years ago, and the economic use of this expensive power has just commenced. Car mileage has increased 300 per cent a day, which accounts for the low output of our many large car-building corporations.

These developments signify change, but they also signify new business activity. Power and equipment will be necessary in all lines of transportation. New rails of heavier design must be laid. New bridges throughout the country become essential. Wooden trestles must be replaced by steel or concrete bridges.

If these changes in transportation have sometimes appeared as a cloud on the business horizon, it is not hard to discover a silver lining.

LOOKING AND LAUGHING AT BUSINESS



A Word from Father Would Help



Not a Business Man, and He Never Should Be



Time to Spray



No Reason to Stop the Train

The Shameful Waste in Business

By Dr. JULIUS KLEIN

Director of the United States Bureau of Foreign and Domestic Commerce

"AMERICAN business is justly proud of itself," says Dr. Klein. But American business, as he goes on to point out, ought to be "justly ashamed of itself."

For a business which wastes $8,000,000,000 in distributing its goods ought to be ashamed. And that, Dr. Klein thinks, is a moderate estimate of what we are doing.

Waste in physical handling, waste in advertising, waste in buying, all three make up the total. The business man who will make money this year and next is the man who goes farthest in routing out wastes in distribution.

The Editor

IS THE American business man one of the most wasteful in all the world of trade and commerce? For the year 1926 our total national income, according to the estimate of the National Bureau of Economic Research, was in excess of $89,000,000,000. A little consideration shows that practically the whole of this national income must be expended for commodities and services.

It is conservative to say that at least $80,000,000,000 of the national income is spent in this manner. How much of it is spent for commodities and how much for service is guesswork, but a conservative guess would credit commodities with at least $50,000,000,000 of the total.

After much study of the question the Committee on Elimination of Waste in Industry of the Federated American Engineering Societies reached the conclusion that the waste in industry amounted to at least 50 per cent of the value of the output. While there has been no corresponding figure for wastes in distribution, this same committee declared in its book on "Wastes in Industry" that "extravagances of distribution are an outstanding shame to American business. They may equal or exceed the more patent industrial wastes of production."

From the discussion in this book of an extremely important subject, and from the many comments of others who have made a study of it, we speak conservatively when we put the waste in distribution at 15 per cent of the volume of sales. Fifteen per cent of $50,000,000,000 amounts to $7,500,000,000, and those who declare the waste in distribution in this country yearly to be between seven and eight billion dollars certainly cannot be accused of lack of conservatism. And what an extraordinarily large mark "to shoot at" it is.

Trade and Home Problems

EACH of us has sat at many a banquet and heard the orator of the occasion "patrioteer," pointing with pride to our foreign trade. He wraps himself in the flag and proceeds to dwell on the vast amounts we export and import. It is quite all right.

But what he overlooks so often is the fact that here at home there are problems, which, if solved, would mean a vastly greater sum than our total in exports for a year.

American business is justly proud of the fact that it has left as monuments of its progress since 1921 a long succession of junk heaps of discarded processes, antiquated ideas, and obsolete policies. There have been, it is true, some tragic instances of those who have clung too long to revered and once profitable practices and have consequently seen prosperity march past them. We still hear suggestions of restoring "prewar normalcy," but it is being more and more widely appreciated that such retrogression would be about as simple as an attempt to return to the middle ages—and just about as profitable.

Our recent commercial progress and present momentum have been due largely to the disposal of the incumbrances which were discarded along the way as business has climbed out of the post-war pit. Not the least among these abandoned "antiques" has been the old devotion to excessive business secrecy, the fear of losing some small temporary advantage by adopting new-fangled notions of simplified practice. The suspicion that statistics and efficiency programs are "academic" and the contempt for associated effort have also been found guilty in some degree.

But not all consideration of the past is futile. The best evidence of this is the prevalence of the study of trends and curves of the trade experiences of recent years.

The curves for the majority of business indicators have traced an encouraging path upward from the depth of 1921. There have been no serious downward dips in spite of frequent prophecies that we were on the edge of another much feared chasm. Now this sounds like the steady progress of sustained prosperity. It has been that, even though the commercial failures in 1926 exceeded those of 1921 by nearly 10 per cent.

Using 1919 as a basic 100, the production index for manufacturing in 1921 was 81, and by 1926 it had risen to 128; for minerals it was 93 in 1921 and 142 in 1926; for railroad ton mileage it was 87 in 1921 and 123 in 1926; for department store sales it was 110 in 1921 and 136 in 1926; and for mail-order house sales it was 72 in 1921 and 123 in 1926.

One factor in this remarkable record should be borne in mind. A busy business is not necessarily a prosperous one. High gross and high profits are not always synonymous.

A leading line in the machinery industry recently showed a net turnover amounting to fourteen million dollars a year, but a check-up of the ten companies in that line indicated total profits of only $130,000. The wage-earners in this industry and the tradesmen supplying their wants were naturally prosperous, but evidently, so far as its stockholders were concerned, the industry was really "much ado about nothing."

Too Many "Aunt Sarahs"

SO LONG as the ultimate purpose of business is profit, so long will it be necessary to be certain that the rumble of busy machinery is not due to slack belts and loose cogs and that its output is more than noise. I ventured the opinion some time ago that in several of our older industrial establishments there are too many "Aunt Sarahs," that good woman who inherited a shoe factory and insisted that the plant continue to turn out high button shoes because "Uncle Ezra" had made it pay with that line in the 70's. Nearly 44 per cent of the machinery in one important industrial group is more than ten years old, which in these days is pretty close to the border line of industrial senility.

Modern business, and especially American business, was never more dynamic

(*Continued on page* 86)

Are We Slighting Modern Egypt?

By PIERRE CRABITES

American Representative on the International Tribunal, Cairo



PUBLISHERS PHOTO SERVICE

Egypt presents a great market for machinery. Modern pumps, for instance, to replace the old screws invented by Archimedes



EWING GALLOWAY, N. Y.

Will America get its share of the trade when motor boats replace the picturesque old sailing vessels of the Nile?

AMERICA faces an adverse Egyptian trade balance of $31,475,040. No other nation doing business with Egypt shows such a deficit. The United States stands second as a purchaser of Nile Valley products. Under the head of imports it figures in seventh place.

Egypt has great purchasing power. It buys from others the very things that America has to offer. No adverse tariff wall or preferential duties bar American access to the land of the Pharaohs.

No shipping troubles exist. The very bottoms that carry Egyptian cotton, wool, and onions to New York and Boston return, practically empty, to Alexandria and Port Said.

No valley in the world is more fertile than that of the Nile. This fact is as evident today as it was when Herodotus, the Father of History, proclaimed it more than 2,000 years ago. It required good government to assure prosperity to this productive country. England brought about this condition in 1882. Independent Egypt is respecting this tradition.

The World War that has buried Europe beneath a pyramid of taxes has dealt most kindly with Egypt. In fact, the home of the Sphinx knows nothing of the burdens that drive the Continental taxpayer to desperation.

England has served on Europe a "hands-off-Egypt" notice. This type of Monroe Doctrine absolves Egypt from the need of having a navy or a large army. The country has no war debt. A beneficent climate, and the sun look after the major part of its sanitation.

Free Public Education

EDUCATION costs its treasury but an infinitesimal outlay. Foreign missionaries sent by Roman Catholic teaching orders and by American Presbyterians furnish the leaders in this field.

There are also colleges endowed and subsidized by the French, Italian and Greek governments, which care for thousands of boys and girls. And there are schools kept up by Moslem and Jewish pious foundations and by Egyptian Christian patriarchates.

The national debt of Egypt is divided into two main categories. One is referred to as the consolidated, the other as the non-consolidated debt. The first group totals $459,885,000. The annual charge upon it amounts to $10,425,000. The yearly interest upon the non-consolidated obligations runs to $5,100,000.

But the latter indebtedness is represented by such assets as the Assuan dam, the Lena-Assuan Railway, the Port Said-Ismalia Railway, and the Helwan Railway.

Besides these links Egypt owns an extensive and well equipped railroad system on which there is not a nickel of outstanding bonds. The state has also important holdings of unencumbered arable lands aggregating 433,000 acres. Of this total it cultivates 35,000 and farms out 398,000. These assets, in 1926, an average year, netted the government $2,836,610.

Egypt now has a reserve fund of $150,000,000. It is invested, in large part, in Egyptian and British gilt-edged securities. A considerable portion of this sum is, however, accounted for by an interest-bearing deposit in the National Bank.

The administration of justice represents, in most states, a heavy budgetary charge. This is due largely to the high cost of criminal courts. Egypt is what is known as a capitulatory country. Such a system has many drawbacks. One of its compensatory virtues to Egypt is that the capitulatory nations pay for the operation of all criminal courts before which foreigners may be charged with crime.

The international or mixed courts of Egypt have practically no penal jurisdiction. For the last several years they have netted to the Egyptian treasury an annual profit of more than $3,500,000. This staggering figure means that after paying all of the judges, officials and employes of these tribunals $3,500,-

000 net is being turned every year into the coffers of the kingdom.

The deduction to be drawn from the facts that have just been reviewed is that not a single one of the charges that are absorbing the purchasing power of Europe affects Egypt. The subjects of King Fuad, and the foreigners enjoying his hospitality, are not ground to death to keep up a large navy and a formidable army. They are burdened with no income tax. Regiments of health officials do not eat up the people's money. Education—such as it is—is paid for by devout Moslems and Jews and by those who seek to propagate the faith of Him crucified, as well as by governments carrying on another form of propaganda. There are no war debts. The national indebtedness is of pre-1900 vintage. It is correspondingly modest. It is represented by a dam, railroads, irrigation works, negotiable securities and liquid cash. Justice is a revenue producer, not a charge.

Egypt Prosperous

TO ILLUSTRATE the prosperity engendered by good government and fostered by low taxation, postal savings and bank deposits should be cited. But somehow this information seems not available. Besides, the Egyptian does business along ways that differ so radically from American procedure that it is doubtful whether such returns would convey any real message. There is, however, one salient point which emphasizes the wealth of the country. It is the fact that Egyptian capital now owns practically sixty per cent of the public debt of Egypt. Of course under this head are included corporations and foreigners domiciled in Egypt. As late as May, 1920, only 30½ per cent of the coupons of the Egyptian unified debt were presented in Egypt. This total now runs up to more than 57 per cent.

During recent years the annual trade balance has always been in favor of Egypt. The extent of this favorable margin depends largely upon the price of cotton. But even in 1925, when that staple received a body blow, no red ink appeared upon the nation's ledger. The figures for that year dropped to $5,000,000. The aggregate foreign commerce then ran to $605,000,000.



PUBLISHERS PHOTO SERVICE, N. Y.

As the people of Joseph made bricks for the Pharaohs 3500 years ago, so now the Egyptians make their own bricks



The tourist trade is a thriving business around Gizeh and the pyramids



This section of Cairo shows that Egypt is not averse to modern improvements

U. S. Trade Small

THE principal imports are: coal, cotton piece goods, cotton yarn, flour, iron and steel manufactured, kerosene, manure, empty sacks, silk textiles, soap, raw and refined sugar, wheat, wood for building, woolen textiles, tobacco leaf, coffee, dried fruits, tea, motor vehicles, mineral lubricating oils, machinery. The reference to America made by the British Trade Adviser in his latest available report reads as follows: "U. S. A.: chiefly flour, machinery, motor vehicles, mineral lubricating oils. Total for all U. S. A. products is L. E. 2,116,238" or $10,581,190.

It is clear that the United States is able to undersell the world in many commodities which are not included in these four categories. The inference is humiliating. It is even more distressing that, as regards flour, to which the British trade adviser accords the honor place among American exports, Australia is now getting more of the business than is the United States.

The same English authority says that exports to the United States consist chiefly of raw cotton, onions and wool. The total sold to America in the year covered by the report aggregates $42,056,230. In other words, America faces an adverse trade balance of $31,475,040.

Egypt is practically exclusively an agricultural country. It produces cotton, sugar, rice, wheat, clover, eggs, onions

(*Continued on page* 140)

A Case of Too Many Doctors



The research sleuth studies the injurious automobile gases of traffic centers

By Representative J. S. PARKER

Chairman, House Committee on Interstate and Foreign Commerce

Illustrations by Stuart Hay

FORTY DIFFERENT executive branches of the Federal Government at Washington, seven of them acting in a major capacity, are now endeavoring to direct national public health activities.

Inevitably their duties overlap, leading to duplication, wasteful practices and sometimes inefficiency.

To start with, we have the United States Public Health Service itself. Though it is not identified in any way with the country's fiscal affairs, it has been made a division of the Treasury Department.

Then there are the Children's Bureau in the Department of Labor; the Division of Vital Statistics in the Census Bureau, which is a branch of the Department of Commerce; the Medical Division in the Office of Indian Affairs, and the Division of School Hygiene in the Bureau of Education, both of which are in the Interior Department; the Bureau of Chemistry and the Bureau of Animal Industry, which are in the Department of Agriculture.

Many Kinds of Health

INCLUDING the Public Health Service here are seven important centers of health administration that are now conducted in five departments. But they are not all. The Postoffice Department has a Service Relations Division, and the State Department has the Consular Service, in both of which branches secondary health activities are directed; while the War and Navy Departments have their hospitalization work and other health programs of a peculiarly military nature that belong to them as to no other national health service. Thus nine of the ten executive departments are engaged in health protection, with only the Department of Justice left out.

There are miscellaneous bureaus and offices besides those mentioned in the seven non-military departments. Among the independent offices also doing this work are the Federal Board for Vocational Education, the United States Employees' Compensation Commission, and the Veterans Bureau.

The problem of coordinating all of these health functions has been recognized for a long time. It was studied with great care in the Harding administration.

Attempts at concentration always have come to naught, largely on account of the same obstacles that have stood in the way of other reorganization efforts. Departments and bureaus themselves oftentimes have stood in the way, insisting that they could not perform their own duties properly if deprived of the privilege of continuing their natural course.

Many of the proposals have defeated themselves because of their size and the conflict of interests involved; but the subject of proper organization is so important and is related so directly to the welfare of the growing country that no further delay should be allowed.

The United States Public Health Service long has been recognized by the public as the national agency for health control, although other governmental branches have engaged in that work. It does not and should not conflict with the performance of the proper local health functions that belong to the states.

It has never intended to encroach upon the work of the states.

The basic authority for federal public health activities is contained in the Constitution. These relate essentially to foreign and interstate intercourse.

Though the Public Health Service for many years has been the established legal agency for carrying on this work, there has been a constantly growing tendency for other federal or governmental agencies to do health work coincident with their major functions, and this has led to confusion in many ways.

Duplication Apparent

SCIENTISTS, and particularly state officials, have come to Washington to study some local problem which they supposed they could solve in connection with the Public Health Service and have found it connected with another of the health activities scattered all over Washington. This has caused the impression concerning duplication to be somewhat magnified.

Such division of authority and diverse activities have come about chiefly because of lack of knowledge of the scope and limitations of the federal health field and because adequate facilities have never been granted to the legal health agency to develop fully this field as authorized already by law.

The National Public Health Service has grown naturally to be regarded by the public as the proper federal agency identified with protection of the national health.

This has been true especially in regions that have witnessed its work in controlling epidemics or in solving local

for Economical Transportation

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QUALITY AT LOW COST

health problems. This service was started in response to a need for protection of the country against epidemics from abroad. Naturally it extended assistance to the states in preventing a spread of these alien diseases.

Health functions and requirements have grown as commerce has increased and communication become more rapid. The expanding railroads were largely responsible for a recognized need for national public health work as well as the increasing industrialization of the country with rapidly growing and thickly settled communities. Closely allied with these factors has come an increased study and knowledge of disease and the way it is spread.

The Federal Government first recognized the need of research more than a quarter of a century ago and established the Hygienic Laboratory.

Wide Interest in Health

WITH the growth of the country other departments took an interest in health work, as did Congress, and just as in many other cases, we soon had in the Government a multiplicity of activities.

The Public Health Service itself has been of great help and has aided in defining its proper mission. Constant requests are coming from the country at large for assistance with local problems, but there have been many other demands. Large corporations and labor organizations have wanted scientific study of industrial health.

The American Federation of Labor, through President Green, recently asked for an investigation of the effect of pneumatic hammers on the nervous systems of workingmen. Several months ago a study was made into the effect of tetraethyl lead in gasoline. Another recent investigation was into the effect of lint on the lungs of people working in it. To conduct these and other studies, there is need for well organized research under a single directing head.

The Hygienic Laboratory ought to be expanded and developed to make possible studies of a large number of these general problems such as research into the proper disposition of automobile gases and their effect on health; the nature and habits of the influenza bacillus, cancer, pneumonia, infantile paralysis, rheumatic fever and many others.

National public health work in its relations to activities in the states has been clearly defined in some of the things already done.

Aid Granite and Steel Workers

IN THE Vermont granite quarries a study was started a few months ago to develop ways for preventing tuberculosis among the workers.

Pennsylvania a few years ago requested the Public Health Service to study the danger of molten steel to the eyes of workmen in the steel industry. A series of investigations resulted in the development of protective glasses against the glare and heat.



Special glasses have been developed to defend the worker's eyes

In the same state methods were worked out for protecting men mining silica against the disease known as "lung silicosis."

We are told that thousands of lives in Pennsylvania have been saved through the development of means for preventing "miner phthisis" in coal mines, the state health officials collaborating with the Public Health Service.

In the western mountain district comprising Montana and other states a disease known as "Rocky Mountain Spotted Fever" was killing a lot of sheep herders twenty years ago. Its devastation was so bad that it made part of that country uninhabitable. Because it was a common problem to all that section, the Public Health Service took it up and, though it lost several officers, finally developed a vaccine that has been turned over to the State of Montana for safeguarding the people against that disease.

Tuberculosis for a long time has been studied by scientists in this service, which has sought to coordinate and systematize its investigations.

A new deadly disease, "tularemia," was recognized by the Public Health Service in California recently in connection with plague researches. It was unknown until that time and is said to be spreading. Some cases have been found as far east as Maryland and the District of Columbia. This new malady comes from rabbits.

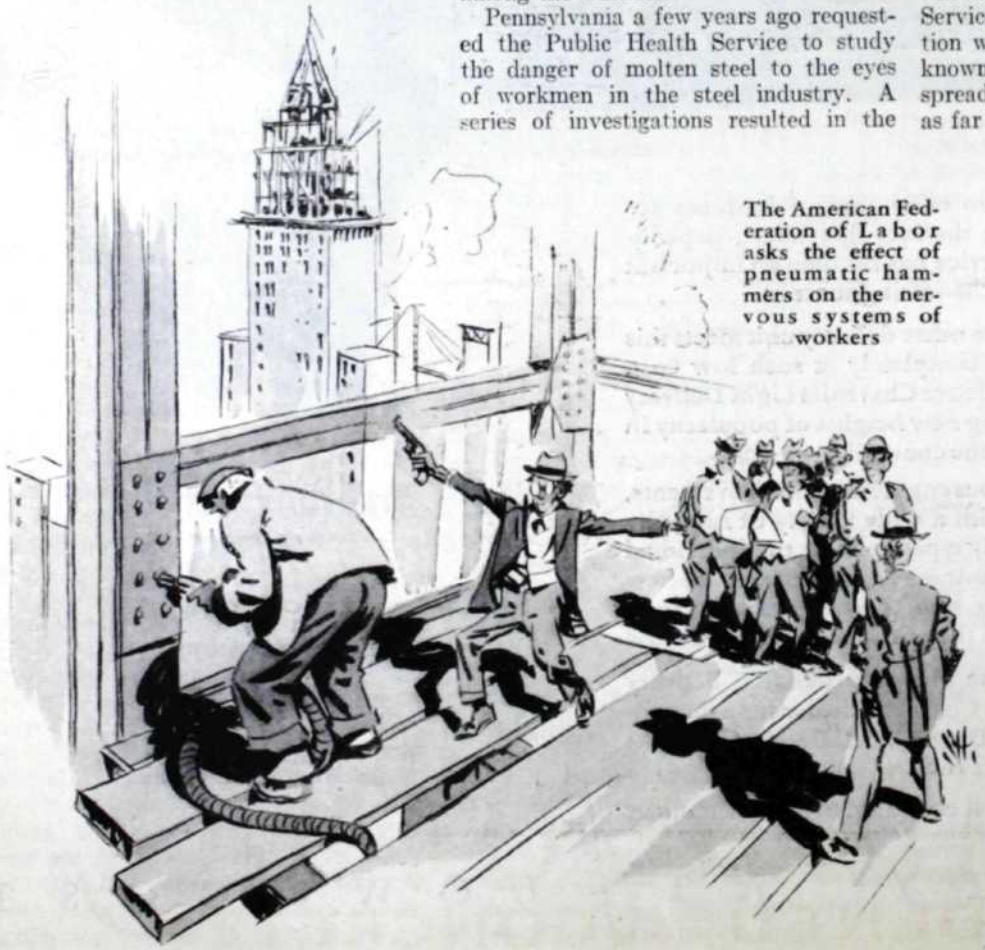
Typhus fever was not known to exist in the United States until it was discovered by an officer of the Public Health Service.

The foregoing illustrations define quite clearly the natural development and scope of national public health activities. The Federal Government should not be expected to finance or engage in local, or house to house, practice of medicine.

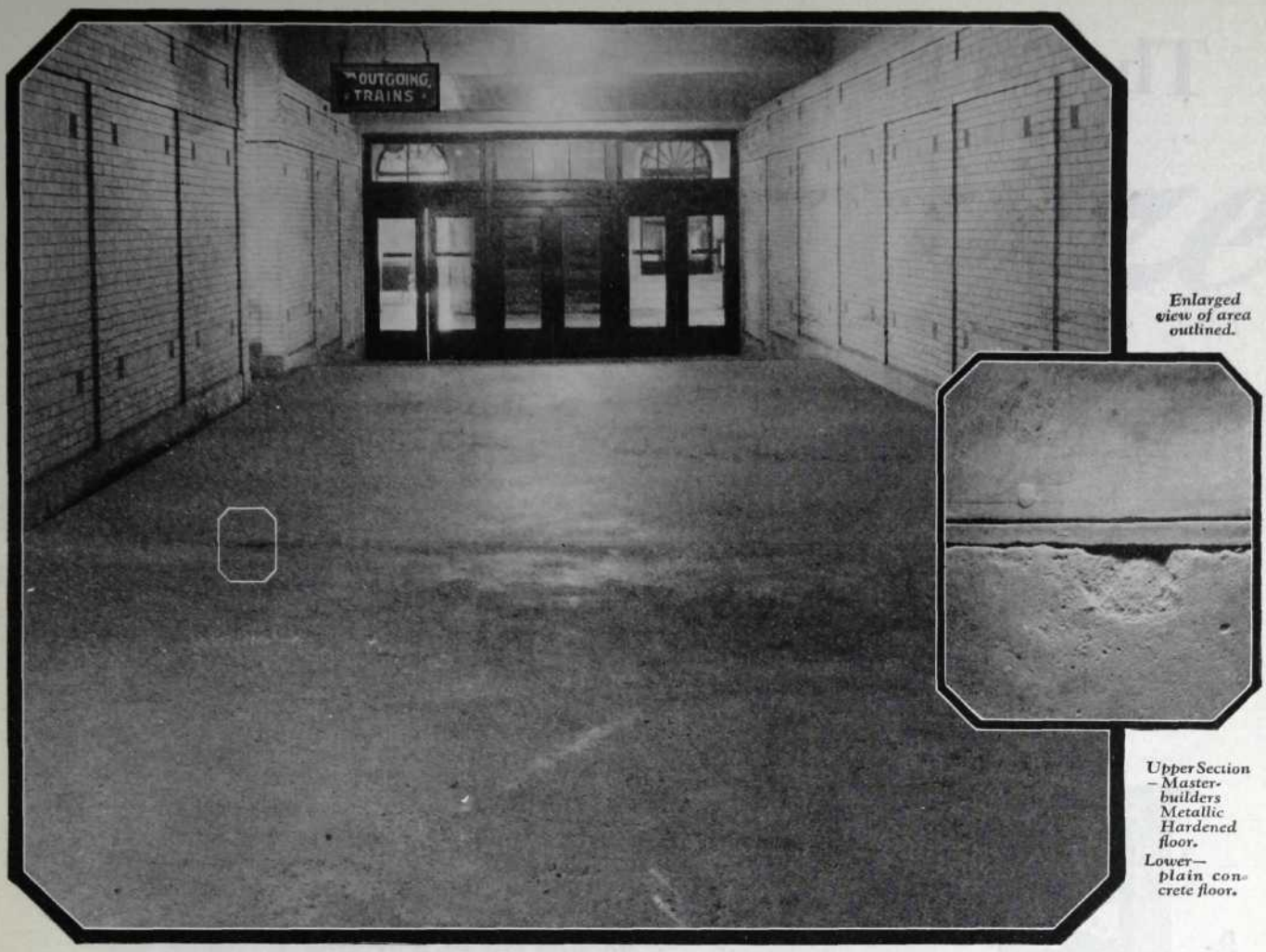
In the hearings on my pending bill to coordinate the health services, Doctor Welch, director emeritus of the school of hygiene and public health of Johns Hopkins University, and also a member of the State Board of Health of Maryland, passed judgment on that question in a colloquy with Representative Wyant, of Pennsylvania, as follows:

MR. WYANT. Doctor, I should like to ask you a question bearing upon the attitude of Congress toward such measures as the bill before us. We have been called

(*Continued on page* 67)



The American Federation of Labor asks the effect of pneumatic hammers on the nervous systems of workers



Enlarged view of area outlined.

Upper Section – Masterbuilders Metallic Hardened floor.

Lower— plain concrete floor.

Corridor in Pennsylvania R. R. Station, Cleveland, Ohio, Masterbuilt Floor in background

What the Pennsylvania Railroad found out

HALF of this corridor has double the traffic of the other half, so when they built it in 1912 the Pennsylvania laid a Masterbuilt Metallic Hardened floor where the heavy traffic comes.

The condition of these two areas today, after a practical test of 16 years, proves the economy of building quality into a concrete floor *when it is laid.*

Not in one or two cases, but in thousands of installations made during the past 17 years, Masterbuilt Floors are daily proving that floor cost, based on the number of years of service, are lowest where Masterbuilt materials and methods have been used.

Startling and illuminating facts regarding floor costs are presented in a survey entitled "PLAIN TALK ABOUT CONCRETE FLOORS", just off the press. In it 400 plant owners and engineers have reported their experiences with cement floor finishes of different types. Every engineer responsible for floor construction or maintenance should have these facts. Copies of this survey will be sent free upon request.

THE MASTER BUILDERS COMPANY, *Cleveland, Ohio*

Factories in Cleveland, Ohio
Buffalo, N.Y., and Irvington, N.J.

Sales Offices
in 110 Cities

MASTERBUILT FLOORS

Masterbuilt Floors

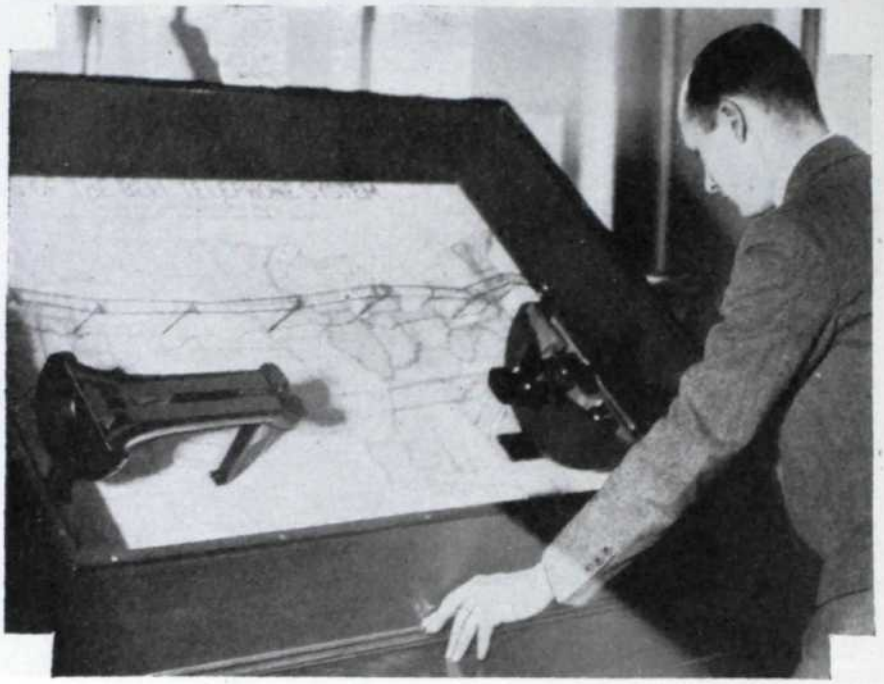
HARDENED DUST-PROOF CONCRETE

The Museum Can Help Business

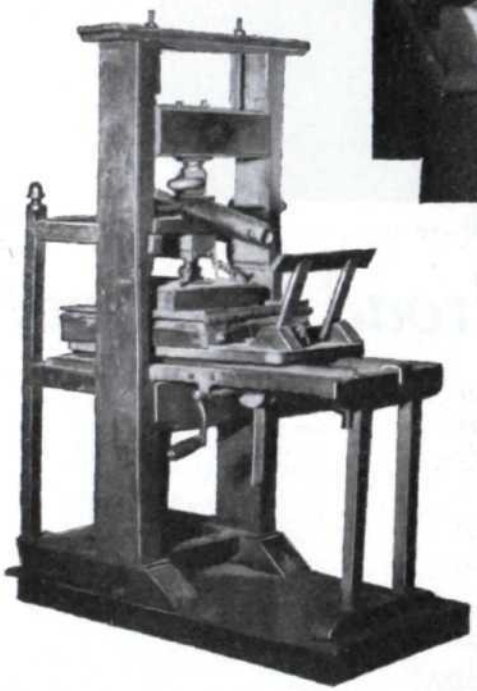
Study of industrial growth inspires new ideas

By F. C. BROWN

Director, Museums of the Peaceful Arts, New York



By manipulating a lever, the museum visitor can see what takes place in a large cross-section model of a telephone transmitter and receiver



When Benjamin Franklin worked as a journeyman printer in London, he used a press substantially the same as the Blaew press below. Such museum exhibits give a quick industrial education

WHAT is the industrial museum? Why should it be so rapidly gaining the attention of men of business? Is it good for business? good for the business man? good for civilization? or just another new sport—a substitute for tennis, golf, baseball, or auction bridge?

The business man, who has always been a mainstay of good movements, is now fostering the establishment of industrial museums. Julius Rosenwald initiated the project in Chicago with millions of dollars and great personal effort. Henry Ford has perhaps even exceeded Mr. Rosenwald in giving personal attention to a similar museum for Detroit. The Franklin Institute expects soon to establish a Museum of Science and Industry for Philadelphia. The Board of Trustees of the Museums of the Peaceful Arts, New York, is made up largely of business men of national reputation.

Recently Charles T. Gwynne, executive vice-president of the Chamber of Commerce of the State of New York, visited the industrial museums of Europe. He approached these museums abroad as an American citizen and as a student. He did not look at the institutions as something for any class or creed. His report to the Board of Trustees and the three eight-reel sets of motion pictures taken on his trip, show the foreign museums, not as storehouses and sepulchres, but as animated and enticing educational institutions for both young and old. All industries are depicted, and especially the sciences basic to industry which make a special appeal to the imagination.

The pictures are a combination of realism and romanticism. When Mr. Gwynne shows pictures of the first model of the Statue of Liberty and the first Edison phonograph in foreign museums, it is perhaps his purpose to make every American citizen feel that such things as these should be placed along with up-to-date exhibits in American institutions.

Mr. Gwynne does not leave any doubt that an industrial museum will attract an enormous number of visitors, and further that it will afford most useful education, typical of this century, and not otherwise provided. It is a great institution for the general public good.

Why the Industrial Museum?

BUT why does the business man need the industrial museum? Forget for the moment that he is interested in the education of his children or his neighbor's children, or even in the general industrial supremacy of his nation. Why have a boy of sixteen visit the section of locomotives where, by turning cranks and pushing buttons and levers and the like, he can understand many of the principles underlying steam propulsion?

First of all, the imagination of a large proportion of the boys will be fired.

Deep-seated interest may be created

Do you realize

what a fraction of a cent per mile means in savings to *business users of automobiles*

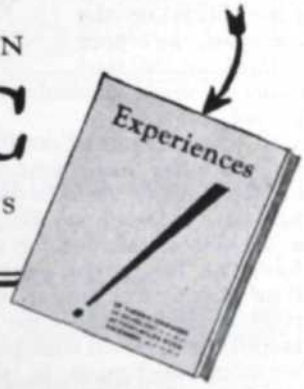
When business operates automobiles, it requires only the slightest margin of saving per mile to aggregate a substantial total in a year's time. Take for example, a company using 100 cars, averaging 20,000 miles each per year—a total of 2,000,000 car miles. *A reduction in the cost of operating these cars of only half a cent per mile means a $10,000 saving yearly.* Certainly an appreciable amount.

The New Series Pontiac Six is designed and built to effect a saving, for business users. Its basic design—its quality of materials and workmanship—its scores of advanced engineering features—all contribute to the remarkable economy of this General Motors six and are the reasons for organizations in practically all lines of business turning to the Pontiac Six.

And in addition, Oakland offers its "Fleet User's Plan." If you are interested in automobiles for business purposes, write our Commercial Division for complete information. Learn how you can effect appreciable savings regardless of the number of cars you own.

From some of the largest corporations in the world and from many smaller firms, letters have come in by the hundreds, asking for copies of the book, "Experiences of Various Companies in Handling Automobiles with Salesmen"... The book includes three general sections: "Who Buys the Car—the Company or the Salesmen?"; "How are Operating Expenses Handled?"; and "Developing a Plan of Operation"... If you are interested in this book, or in Oakland's plan for cooperating with fleet users to reduce sales cost, send in the coupon below.

This Book sent upon request—Mail the Coupon



OAKLAND MOTOR CAR COMPANY, PONTIAC, MICHIGAN

OAKLAND-PONTIAC

PRODUCTS OF *Sixes* GENERAL MOTORS

Oakland Motor Car Company, Dept. K,
Pontiac, Michigan

Gentlemen:

Please send me a copy of the book: "Experiences of Various Companies in Handling Automobiles with Salesmen." Tell us more about your fleet user's plan.

(Name)_____ (Company)_____

(Title)_____ (City)_____ (State)_____

that will cause them to turn to the railroads as a life profession. What might be the increased contentment and increased efficiency in business if youths could see a miniature set-up of the growth and purpose of all industries, and thus be enabled to make a wiser choice and determination of their life professions? At present entirely too many take whatever jobs offer in time of need.

Gives Practical Education

PROFESSOR Dayton C. Miller has said, "It seems to me that a museum like the Deutsches Museum will do more to develop technical and elementary scientific education than can ever be accomplished in the technical schools and universities. It would do more to educate the common people, ordinary inventors, and others."

The industrial museum, by its fascinating presentation of the elements of growth of all sorts, will help quicken the starting of new and improved activities.

I know a millionaire who, fifteen years ago, had an income of less than $2,400 a year. The outstanding feature of his successful business expansion he attributes to his adaptation of new ideas gleaned from industries apparently foreign to his own.

It is this man's opinion that the greatest usefulness of the industrial museum would be to business and that this benefit would lie in this exchange of technical opinion. If everyone engaged in the mining and manufacture of copper could follow iron from the mine to the razor blade or the car wheel, the copper as well as the steel business would undoubtedly be improved.

In the Museums of the Peaceful Arts which are less than a year old, the staff has found many instances where business men have obtained new ideas. Recently a committee searching for technical information for the governor of a great state found the answer through the museum, and on the same day a steel industry with eleven large plants found a recording mechanism in the museum which would save money in every one of its branches.

It is on the proceeds of money left by a business man, the late Henry R. Towne, that the Museums of the Peaceful Arts are beginning to function. An excerpt from Mr. Towne's will asks the officers of the Museums to have in mind constantly the following facts:

That the United States is the greatest industrial nation of the world.

That its inventors and industrial leaders have won the foremost place in almost every field of applied science.

That its organized industries excel those of all other countries in magnitude and efficiency.

That their products are in demand in all the markets of the world and that their future welfare is increasingly dependent upon the retention and expansion of their export trade.

That our national achievements in this great field are unrepresented by any permanent collection of examples illustrative of their history and growth, or of their present development.

That while we have many magnificent museums of ancient and modern art, and, in this city, a splendid Museum of Natural History, we do not possess any permanent exposition of American achievements in the peaceful arts.



The Eighteenth Century apothecary's shop reproduced in the Deutsches Museum, with its hourglass and earthenware containers, is a revelation to us living in this chain drug store age

This work, to which Mr. Towne has given such an impetus, is already under way in New York. In the museum there are a great many exhibits which have attracted much interest—among them the milling machine made by Eli Whitney, believed to be the oldest in existence. There is also a section of a steel rail, which the visitor himself can bend with his finger and measure this bending by using the interference principle in light waves.

Among the musical industries exhibits is an interesting one presented by the Research Laboratories of the American Piano Company. The visitor can operate a single key of the piano by hand and see the purpose of all parts involved in the action, and he can see also how the mechanism is controlled by air pressure and at the same time play snatches of music on the piano by merely pressing a key.

There are many exhibits in communication, one an enlarged model of the telephone transmitter and receiver, made to order and presented by the New York Telephone Company and the Bell Laboratories, Inc. The visitor can wiggle a lever and see what happens both in the transmitter and the receiver.

The primary purpose of these exhibits is educational, and there is good reason to expect that millions of persons will visit the museum yearly in its final home. The industries which are responsible for the captivating and useful exhibits will, of course, receive the public good will. The value of good will is so well recognized today that it is needless to enter into its merits here. In supporting the industrial museum for Chicago, Mr. Rosenwald has made this statement.

I would like every young growing mind in Chicago to be able to see working models, visualizing developments in machines and processes which have been built by the greatest industrial nation in the world. It would take years of book study for a school boy to know what happens between the wheat field and a loaf of bread delivered to his home.

Show him working models of the earliest and latest harvesting and threshing machines and the development of flour mills and the curious growth of yeast and the workings of bread-making machines, and you prove something to him through his own eyes.

Young America is mechanically inclined. He wants to know how paper is made, how cloth is woven, how glass is blown, how sugar is made, how bridges are built, why dynamos run, and all about it. Such a museum, exhibiting demonstrations of these things and many others, would advance their education by years and enable the young minds to project themselves into the future at an earlier age.

Quite independent of good will, the industrial museum will create a demand for commodities of which the public will have need, when it sees the presentations of an educational nature. The visitor will learn of new things he wants in radio, or a new device for the household,

(*Continued on page* 85)

Accounts Receivable on a Burroughs

New and improved Burroughs automatic bookkeeping machines, including combination typewriter-bookkeeping machines, permit the handling of any kind of accounts receivable records. Many of these records may be written in one operation; for example—

—the accounts receivable ledger, customer's statement and proof journal (all originals) can be produced in one operation

—customer's ledger and the distribution of cash, credit memos and other general ledger entries can be made in one operation

—installment ledger, distribution of revenue by years, sales by departments and cash receipts can be handled in one operation

ALSO, many other records can be written in combination on Burroughs machines. And it is easy to obtain as by-products, items past due, analyses of unpaid balances, customer's purchases to date and other valuable data.

CHECK APPLICATIONS WHICH INTEREST YOU

BURROUGHS ADDING MACHINE COMPANY, 6155 SECOND BOULEVARD, DETROIT, MICHIGAN

Gentlemen: Please send me more information on the bookkeeping problems I have checked.

Accounts Receivable ☐
Ledger and statement in combination — ledger and end of month statement—with or without carbon—skeleton or itemized

Payroll ☐
On cash or check payments

Distribution ☐
Labor—materials—purchases—sales—expense—cash

Costs ☐
As shown on stores records, payroll and distribution summaries, cost sheets, etc.

Accounts Payable ☐
Ledgers with or without remittance advice—Journal-voucher system instead of ledger—including registration of invoices

Sales Audit ☐
By clerks and departments, cash, charge and C. O. D.

Stock Records ☐
Of quantities—values—or both quantities and values together

Journalizing and General Ledger ☐
Complete typewritten description, or date and amount only

Name_____ Firm_____ Address_____

When writing to Burroughs Adding Machine Company *please mention Nation's Business*

When the Steer Goes to Market

By MERLE THORPE

DEAR MR. EDITOR: You may be a very smart editor, must be, or you wouldn't run "Nation's Business," but—you need a circulation man with a head on him.

One of his emissaries (that the way you spell it?) sent a letter to me, a farmer—and a cattle and hog farmer at that—asking me to subscribe for your paper.

I take a farm paper and I read the *Saturday Evening Post,* and a daily, and I get market reports over the radio, but I don't care a whoop about world business, and that was a big part of your circular.

SAM ——,
Knightstown, Indiana.



AND JUST about the time that Sam's letter reached us the lard from one of his hogs had reached Germany, and Sam was paying $35 for a suit of wool clothes for his 18-year-old boy to wear to school at Purdue.

Of course, the wool had come from Patagonia to the Boston wool market in exchange for an automobile the seats of which were upholstered with hair from some of Sam's Indiana fed steers.

Sam is not interested in world business and yet his own business affairs are largely international, if he but knew it. Sam's trouble lies in the fact that when he feeds his grain to the grass-fed cattle he buys, and they fatten and the hogs fatten, he thinks he has a finished product and when he sells them, that's the end of it.

Stockyards and Packingtown

THAT letter started a train of thought on the rails of fact, and the next time I went to Chicago I took time out for Stockyards and Packingtown.

It's true that I thought of it only as the Stockyards, but when I got out there I found that the Stockyards is just a big auction block and that over to the west is Packingtown, which is a very decided factor in handling Sam's finished product.

I found that here in Packingtown Sam's finished product is regarded as just something to be, as we may call it, "disassembled."

The finished steer from the Indiana farm traveled a long road to get to Chicago, but it will travel many longer ones before it is all marketed. The animal was born one bleak February day on a 400,000 acre ranch in the Panhandle of Texas, where 10 acres are allotted to feed one animal.

When he weighed between 350 and 450 pounds, a letter came from Indiana. Now this ranch is a "mail-order house" for cattle.

It has established a reputation for calves and steers of a standard grade and it will sell them by mail and guarantee the quality.

The letter was about this calf and thirty-nine of his brothers. Sam, back in Indiana, had a corn crop coming on and he wanted to feed it. Those calves were "counted through the gate" until forty had gone into the corral. Then they were driven 25 miles to the railroad station and loaded on a car for the long journey to Sam's farm near Knightstown.

When Sam got his calves they had shrunk considerably in weight, because of excitement and the long trip. But a few days on the still green pastures brought that back, and then Sam began to feed them corn and concentrates, because he was a connoisseur of feeding and knew how to do it.

The calves grew from the original 350 to 850 pounds and then Sam decided, because the radio said steers were up to $16.50 a hundredweight, to ship them to Chicago, and two cars were ordered.

A few day's later Sam's finished product had passed into the realm of meat and by-products, cleanly and scientifically.

The meat went into the coolers as baby beef—it was good beef and it soon bore a brand that gave it a name and a standing unknown in the meat world less than a year ago. It hung in the cooler for a few days—was divided into hind and forequarter cuts—one half was shipped to Albany, New York, to be sold there to consumers; the other half was sold across the block of a Chicago butcher.

The hide went into the hide cellar to be salted down for a time and then sold to a tannery. The fine ear hair was clipped out, to be used in a "camel's hair" brush by an artist in the Paris "Latin Quarter."

The hair from the tail was carefully clipped off and became a part of a mattress that went to Seattle and found its place on the bed of a banker.

The shin bones, removed when the hide was taken off, were cleaned, the grease was boiled out, and then they were sold as a shipment to Sheffield, England, where they were worked up into knife handles, one going into the pocket of a lad in London, another finding its way back to Indiana, and still another going to South Africa.

Steer Is Only Raw Material

SOME of the fats in Sam's Texas steer were refined into oleo oil that was shipped to Holland for the thrifty Dutch to eat while they sold their butter in England.

When the viscera went tumbling down a chute a hundred industries cheered, because here in this part of Sam's "finished product" lay some of their raw material, material for the furniture man, the druggist, the confectioner, the makers of musical instruments and sporting goods.

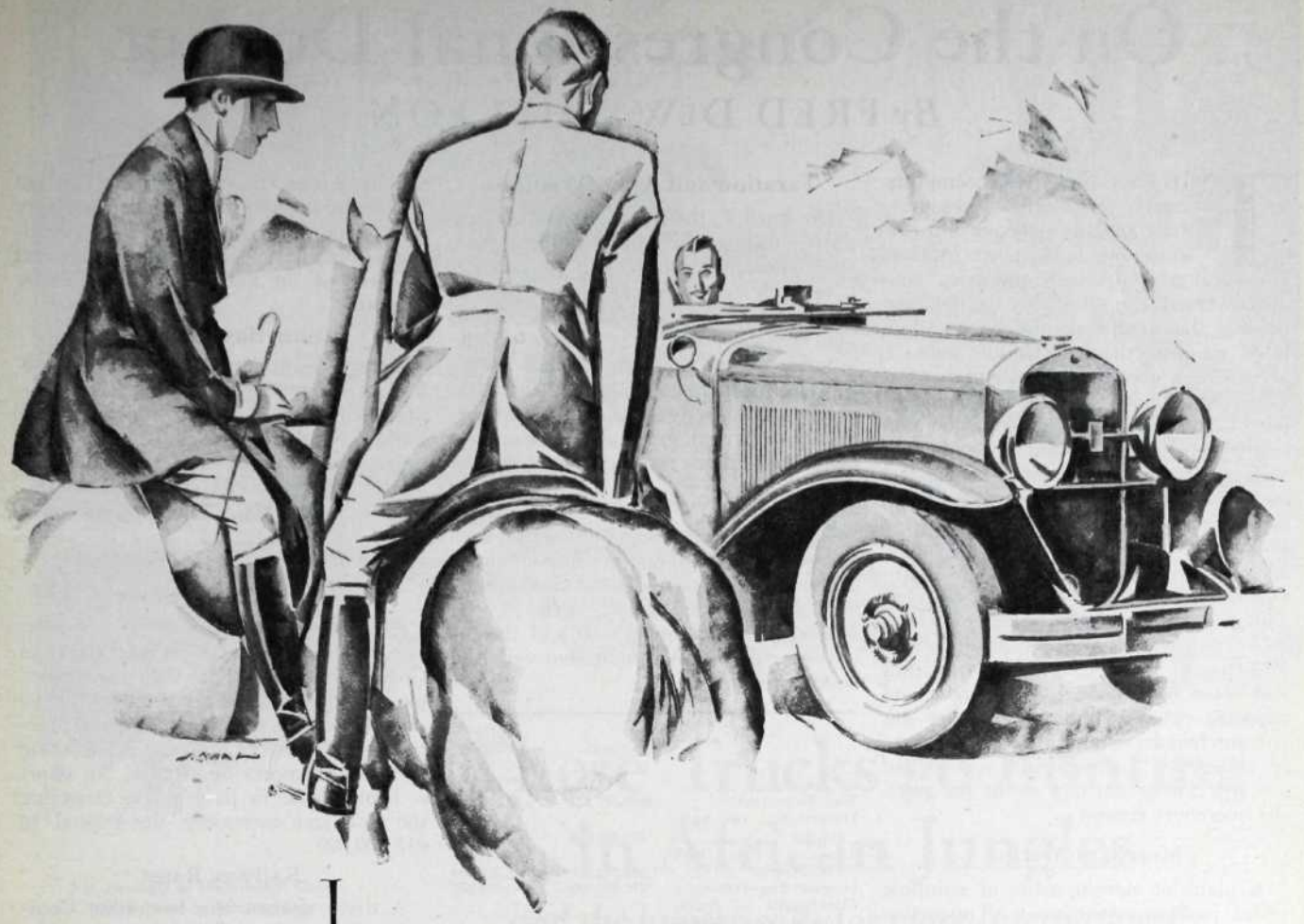
Naturally the casings were carefully cleaned and saved, Sam knows that, but what apparently he overlooked was that a part of those casings was carefully processed and sent abroad to help in the manufacture of gold leaf. The thin sheets of gold were placed between pieces of the casing and were beaten out to that infinitesimal thinness necessary if gold is to be used economically.

We won't concern ourselves with the tallow and the animal fats, because their uses are pretty well known.

Where Nothing Is Wasted

BUT Sam's steer was found to have gall stones, and those went into a "jewel box" and were bought a few months later at more than a hundred dollars a pound, by a mysterious Oriental who shipped them to Japan and China. The smaller ones were crushed and used in a compounding of Oriental medicines, while the larger ones became charms and were treasured

(*Continued on page* 183)



JUST as Cadillac beauty created a vogue in motor car style, so has Cadillac's incomparable performance re=created a vogue for driving. There is an irresistible desire to take the wheel of the Cadillac and enjoy what none but a Cadillac=built car, with its 90=degree, V=type, 8=cylinder engine, can give—performance seemingly unlimited in range and variety, so unlabored, so easily controlled, so zestful yet restful, that once again Cadillac has given the idea of luxury in motoring a new meaning

More than 50 exclusive body styles by Fisher and Fisher=Fleetwood

CADILLAC MOTOR CAR COMPANY

Division of General Motors Corporation

Detroit, Michigan Oshawa, Canada

CADILLAC

A NOTABLE PRODUCT OF GENERAL MOTORS

On the Congressional Docket

By FRED DEW. SHELTON

THE NET legislative accomplishments of Congress, measuring bills actually enacted into law, thus far have been confined largely to appropriations and a few noncontroversial measures. It is not surprising that political discussion calculated to forge the pre-election issues is occupying a good part of the sessions of Congress. That situation will continue until Congress adjourns. Legislation generally recognized as essential can be put through by agreement among the leaders and some such agreements will be made as Congress nears its close.

The outstanding questions of public interest such as farm relief, Boulder Canyon Dam, Muscle Shoals, naval program, and tax reduction still are being debated and awaiting a vote in one or both branches of Congress. These questions will come to a head between now and adjournment. A number of other important bills have gone through the stage of committee hearings and report and are ripe for action now or in the post-election short session.

Merchant Marine

A plan for development of shipping under private ownership and operation has been brought forward in the House. It is a drastically modified form of the Jones bill which passed the Senate. It is the product of extensive hearings and committee study under the leadership of Representative White, of Maine, Chairman of the House Committee on Merchant Marine and Fisheries. The amended bill provides Government loans at low interest rates for shipbuilding, more liberal ocean mail rates, and other aids to merchant marine development. It has strong backing in the House and if it is passed by that body it may be accepted by the Senate in place of the Government ownership bill which the Senate passed early in the session.

Flood Control

A modified flood control measure after a year of general discussion, extended committee hearings and conferences, was passed suddenly by the Senate after an hour of debate, the vote being 70 to 0. It would have the Federal Government bear the full cost. New provisions for surveys of tributaries of the Mississippi were added. This bill, with amendments, has been reported in the House which is trying to iron out many differences. Estimates indicate that the project under the Senate bill will run far beyond the $325,000,000 authorized. There is strong opposition to indefinite costs even though it would be spread over several years. Unless a compromise is effected a veto may be forthcoming.

Taxation and Appropriations

On April 3, the Senate Finance Committee met to take up revenue legislation where the House left off when it passed the tax bill in December providing a cut of $289,000,000. The House bill was shelved for the winter on the grounds that Congress should await March 15 revenue receipts and also action of Congress on appropriations. We now have the assurance that revenues are coming at least equal to last year.

Appropriations also have been kept very close to the budget estimates submitted by the President. The following table shows appropriation bills considered in Congress up to April 15, the amounts carried in the bills and the increase or decrease as compared with the budget requests:

	Fiscal Year 1929	Budget Estimate Increase or Decrease.
War Department.....	$398,517,221	+$6,571,221
Department of Agriculture	139,609,738	+5,662,738
Treasury - Post Office Department	1,061,342,060	−8,218,000
Interior Department...	272,656,039	−509,000
Department of State, Justice and Judiciary and Departments of Commerce and and Labor	89,820,595	−37,000
Executive Office and Independent Establishments	527,672,485	+119,485
Navy Department	359,190,737	−11,052,000
District of Columbia.	38,151,428	+457,000
First Deficiency.....	200,936,668	−4,602,000

This accounting shows prospective appropriations actually less than budget estimates by more than $11,000,000. Of course, Congress is not through with the supply bills and some new projects requiring money may be provided for.

However, with the prospect of one of the biggest Treasury surpluses in history, some half a billion dollars, it appears that nothing should prevent a substantial reduction of taxes unless Congress deliberately decides to pursue a policy of faster debt reduction or a drastically enlarged program of expenditures. The outlook is favorable for some kind of a tax reduction bill but the extent of the cut depends on a good many uncertain factors.

The real fight will come on the floor of the Senate after the bill is reported by the Senate Committee on Finance.

Railway Consolidations

The President has voiced his strong desire for enactment of the Fess-Parker bill for voluntary consolidations of railways. Committees in both branches of Congress have held exhaustive hearings over a period of several years and a bill has been evolved which meets the views of the parties most affected. The bill has been reported to the House and may soon come to a vote there. The prevailing sentiment is that this measure will be delayed for final action by another Congress.

Motor Bus Regulation

Federal regulation of motor buses acting as common carriers again has been proposed in the House by Representative Parker, Chairman of the House Committee on Interstate and Foreign Commerce. Regulation of trucks is not included in the bill. The bill will meet considerable objection and has little chance of passage in this Congress.

River Barge Lines

When the Inland Waterways Corporation was established with $5,000,000 of Government capital in 1925 the principle was declared that the enterprise be sold to private capital as soon as practicable. The barge line now is beginning to show prospects of profits. An effort is being made to pass a law extending the line and increasing the capital to $15,000,000.

Railway Rates

A drive against the Interstate Commerce Commission's Lake Cargo coal decision has been started by introduction of a bill by Senator Barkley, of Kentucky, to repeal the power of the Commission to fix minimum rates. This issue is growing in importance but will not be settled during this session of Congress.

Postal Rates

A postal rate revision bill has been passed by the House which would restore the 1921 rate on second class matter, lower third class rates, and provide other substantial rate adjustments. A new feature of the bill is the provision for business reply cards without prepayment of postage. The fate of the bill in the Senate depends on whether or not the leaders will bring it to a vote.

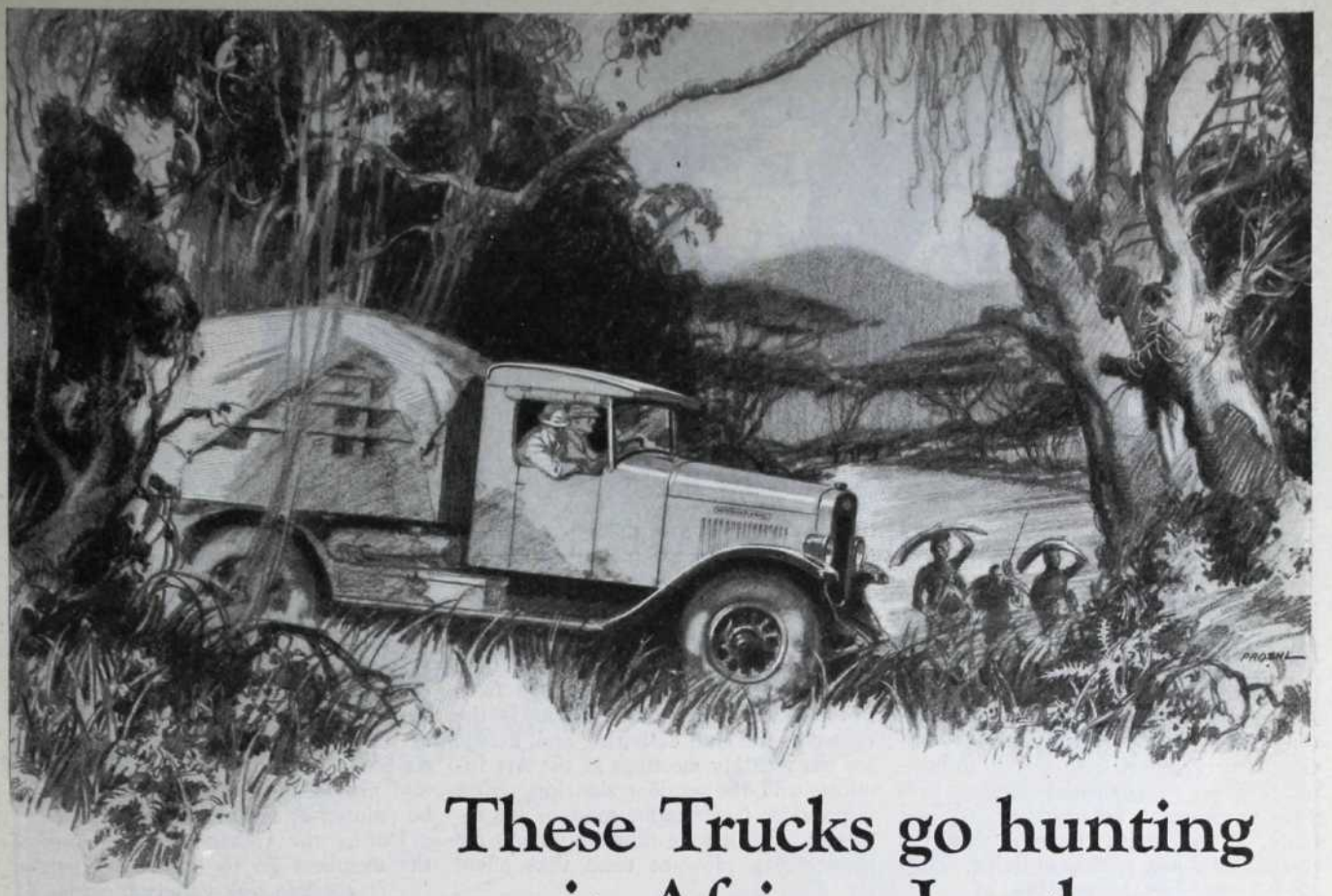
Immigration

The Box bill for application of the immigration quota to Mexico and other Western Hemisphere countries seems to be effectively tied up in committee. As an alternative we may expect increased appropriations for border patrol to prevent illegal entries. There is little prospect of other important immigration legislation for the present. Postponement of the "national origins" clause of the 1924 act has been accomplished through a resolution recently adopted.

Banking and the Federal Reserve System

Legislation affecting Federal Reserve

(*Continued on page* 98)



These Trucks go hunting in African Jungles

and the hunter calls for more Internationals

When you equip yourself for a big-game hunting expedition into the wilds of the Dark Continent, put the difficult job of transportation up to International Trucks. That's our advice, and if the idea sounds fantastic keep in mind that it's also the advice of Mr. J. N. Boshoff of California.

Mr. Boshoff *has been there,* with all the paraphernalia of the African explorer and with International Trucks—"9000 miles through dense forest and over hills and mountains without the vestige of a road." And having braved the fevers, bagged his trophies, and brought his party of Europeans and natives back to port, he is keen to go again—and with International Trucks!

The Internationals that pursued the gazelles and elephants through the wilds of Tanganyika are Special Delivery Trucks, built for nimble and speedy hauling. Thousands of this popular model are hauling less adventurous loads the world around with equal success.

For other jobs and other loads, whether it be in Boston or San Diego, or in the far corners of the six continents, there are Internationals to fill the bill exactly. Speed Trucks, 4 and 6-cylinder, 1¼, 1½, and 2-ton. Heavy-Duty Trucks, double-reduction and chain drive, 2½ to 5-ton. For information on any model, or on the full line, please write the address below.

Mr. Boshoff of Westwood, Calif., with some of his trophies



Gentlemen:

Kindly quote me the price on a 1-ton and 1½-ton International Truck chassis to be delivered to Mombasa, British East Africa, for use around Arusha, Tanganyika Territory.

I have just returned from a hunting expedition in Central Africa. We had two International Special Delivery Trucks which I bought last year from your agent at Nairobi. These gave us excellent service and satisfaction and although we made 9000 miles through dense forest and over mountains, without the vestige of roads, they never left us in the lurch.

I am enclosing a few snapshots taken close to Lake Tanganyika giving you an idea of what we had to go through.

Yours truly,

J. N. BOSHOFF



Loading the trucks for moving camp

In addition to trucks the International line also includes Motor Coaches and McCormick-Deering Industrial Tractors. International Service is rendered by 160 Company-owned Branches in the United States and Canada, and by adequate representation in foreign countries.

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Business Men Make Art a Hobby

By WILLIAM C. REED

ONE OF the most welcome characteristics of the existing period of prosperity is the convincing indication that Americans are becoming increasingly interested in seeking recreational satisfactions entirely apart from success in business. These supplemental interests provide refreshment for spirit, mind, and body. They invite the soul with the promise of a new ecstasy of living. They are dependable preventives of "dry rot."

But riding a hobby need exact no denial of the world, nor impose a requirement for solitude or seclusion, as the Business Men's Art Club of Chicago is now actively demonstrating. A hopeful dream in 1920, a communicable enthusiasm ever since, this friendly fellowship is a present and pleasant proof that art is democracy in its very essence.

The members of this club sought and found escape from "the shop, bridge, movies, and crowded golf-courses." Each man is free to use the medium of his choice. Some are devoted to canvas and oils, some to paper and water colors. Others prefer to work in the subtle gradations of tone which are possible to the pencil, and still others use the tools of the etcher.

Beginners are helped by the more experienced members. All have the benefit of informal talks made by the professional artists invited to the monthly dinner meetings. Open-air art clinics and studio criticism give their own color to the interchange of judgments and opinions.

It is probably true that the beginner in art has a better time than the veteran practitioner. Certainly he is less bound by convention and tradition. But along with the opportunity for adventurous independence of expression, the club provides sound guidance. Instruction in all mediums is given by J. Allen St. John of the Chicago Art Institute.

A studio is maintained at 81 West Van Buren Street, and there classes meet on Tuesday and Thursday evenings from May to October. This studio is the center of the club activities, and, except for the monthly meetings at the Art Institute and the outdoor sketching trips, it provides facilities for most of the interests. It is a noon-time rendezvous for members, a pleasant oasis that offers welcome surcease of the pace and push business careers.



This landscape, "The Rainy Season," was painted by Lee Hutton a member of the Business Men's Art Club of Chicago

Nude figure studies and costume poses divide the time about equally. Four evenings, as a rule, are given to each pose, although many members make complete sketches in one evening. While accurate drawing is required, the members work in their own way to express what they see, and interesting variety results from interpretations of the same pose.

Once a year members exhibit their work in the studio, each member putting up two or three studies which he considers the best he has done in the preceding year. At the show in 1927, forty studies were exhibited. An abundance of draperies and material for still life studies is owned by the club. Tables are also provided for setting up objects to be painted at leisure.

During the vacation season some of the members go to the New England coast to seek variety of scene.

Beauty Everywhere

BEAUTY, these persistent explorers have found, may be discovered in the most unpromising of the places. An editor of the *Chicago Evening Post* wrote:

> Even the clamorous loop of the great city began to disclose beauties which I had not suspected. I warn you it is not easy to keep the mind on business, on the state of the market, on politics, if the eye is claimed by the outline of roofs and towers against the sky, or by the contrast of lights and shadows on the side of that steel-and-stone canyon which is called Madison Street.
>
> There is a marvelous variety of design in the loop—of perpendiculars and horizontals, and the rectangles which they make. And there is no less variety of color; of violets in the shadows; of reds and yellows and blues under the light of the sun when it shines.

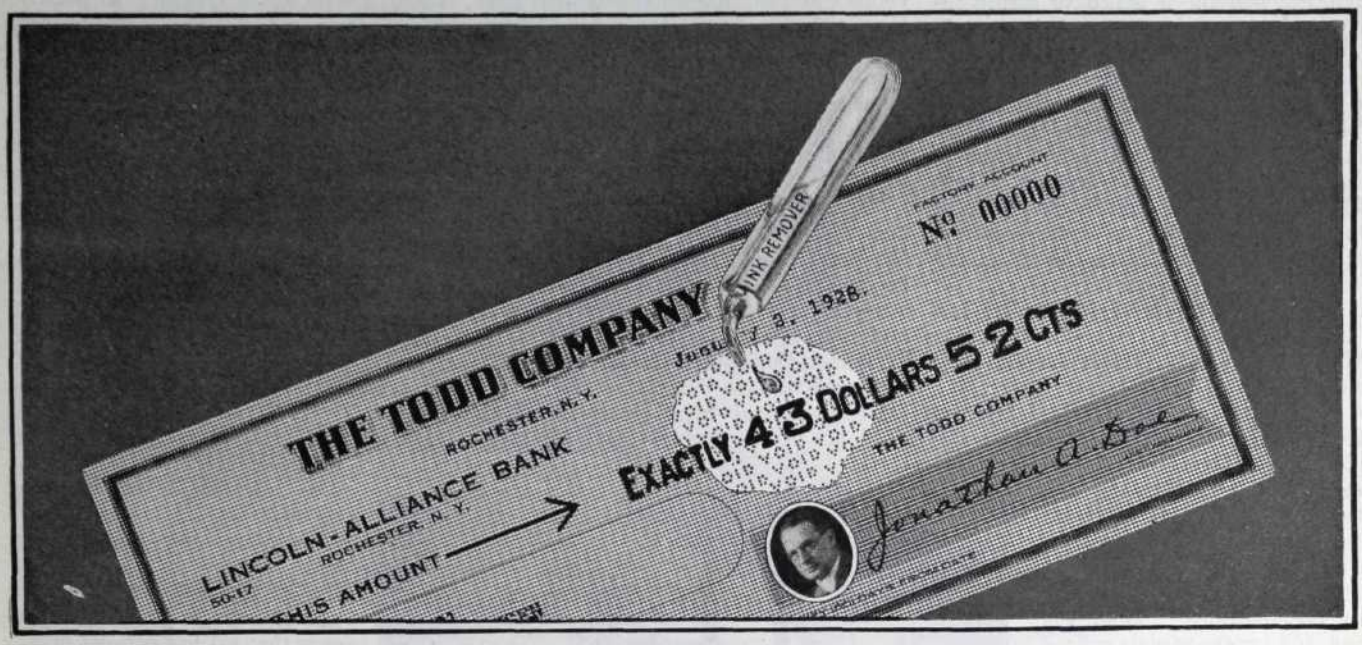
But art is more than picture making. It symbolizes the world of feeling. Into that new world the members enter, and once beyond its frontiers

> it made the undulations of tree tops against the summer sky a thing to wonder at; it made the pattern of their branches fretted against the patch of blue a study of intriguing interest; it revealed the fancy-kindling magic of a curve in a country road; it gave a thrill of quiet satisfaction to the geometry of a diagonal path across a meadow.

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beauty, the Chicago club has provided the artistic spark to kindle similar enthusiasms in other cities. Several successful clubs of business men have been organized, and are now affiliated in the Association of Amateur Art Clubs.

Representative of these member organizations are the clubs at Boston, Cleveland, Milwaukee, Denver, Philadelphia, Minneapolis, and Buffalo.

The Business Men's Art Club of Boston was organized last October. It now has sixty-one members, a comfortable studio, and holds evening classes. A monthly bulletin is issued to assure interchange of opinions.

Cooperate With Artists

CLEVELAND'S club was organized in January, 1928. Its roster includes thirty-one members, of whom twenty-eight are attending the evening classes. These meetings are held in the studio of the Cleveland Society of Artists—an arrangement that indicates the sustaining interest of professional artists.

The Sketch Club of Milwaukee has fifty-five members, and the Business Men's Art Club of Denver includes fifty members.

The increasing aid received by the association from Art Institutes is a significant and encouraging development. In Chicago the trustees of the Art Institute have agreed to present in August, 1928, "the first annual inter-city exhibit of paintings by business men." Gold, silver, and bronze medals will be awarded. The works submitted through affiliated clubs will have to pass a jury of professional artists, a requirement that should assure a worthwhile display.

The significance of this progress toward a broader appreciation of art is more than local, as the organization of similar clubs in other cities attests. Nor does the meaning of the new movement lack for intelligent interpreters. An editorial in the Canton, Ohio, *News* has caught the true color with crisp and appraising phrase—

"In Chicago there is a club of business and professional men who grew tired of fooling away their spare time. It would be more accurate to say, perhaps, that they were tired of neglecting the noble faculty which is common to all normal people of doing or making something as beautifully as they can. . . . You assume, of course, that they formed this club to patronize art and artists. We show our interest in art by condescending donations to those who produce works of art. It seldom occurs to us to produce anything ourselves. But what these Chicago business men had in mind was to produce works of art themselves, not as a business but as a recreation.

"If a group of university professors or preachers had started something of this kind, it wouldn't have done at all. In rough and ready America the male has always had a haughty contempt for the sense and expression of beauty. That was for women and soft heads.

"Happily, in Chicago, it was business men, big, beefy business men who went to daubing paint and moulding mud into Venuses and carving wood cherubs. That gave the movement respect and even prestige. These business men have painted pictures of such excellence that plans are maturing for circulating an exhibition of them through the country as an inspiration for other red-blooded men to turn about and lead a better life.

"This is deservedly a fine tribute to men who seek beauty and recreation at the same time. When we as a people become an art-loving nation and develop a psychology with less thought of wealth and the luxury it brings, and more thought to that indefinable thing we term art, we shall have taken a forward step."

Conditions of membership in these clubs are of the simplest kind. For example, the Chicago club requires only that a man must be at least thirty years old, and must be making his living at some other employment than in the graphic arts. Of course, he must be of good character. The entrance fee is $5 and the annual dues are $10. At the beginning of the year this club had 157 members.

Sketching Classes Popular

INTEREST in graphic arts as hobbies is not confined to business men in cities where clubs have been organized. There are sketching classes in nearly every city, and these are attracting not only artists engaged professionally in the work but housewives, business men, office workers, and others.

Robert Zuppke has gained a nation-wide reputation as a football coach. As a strategist he ranks among the leaders in his profession. Perhaps few of his admirers know that he paints landscapes when not engaged in teaching his Illinois Granges and Brittons to scatter their opponents over the scenery.

It seems a far cry from football to painting, but this is an age of the far cry. Public appreciation of beauty is growing apace. The yearning for self expression is finding outlet in the creation of more attractive merchandise. Beauty is coming into its own.

Compare the department store window of today with that of ten or even one or two years ago. It is evident at once that art has entered business.

Color is found everywhere today and it is making the world a brighter and better place in which to live.

Probably few masterpieces that will live through the ages will be painted by members of business men's art clubs. Still the impulse toward beauty will be of inestimable value.

Men grow not only through what they do but through what they long to do.

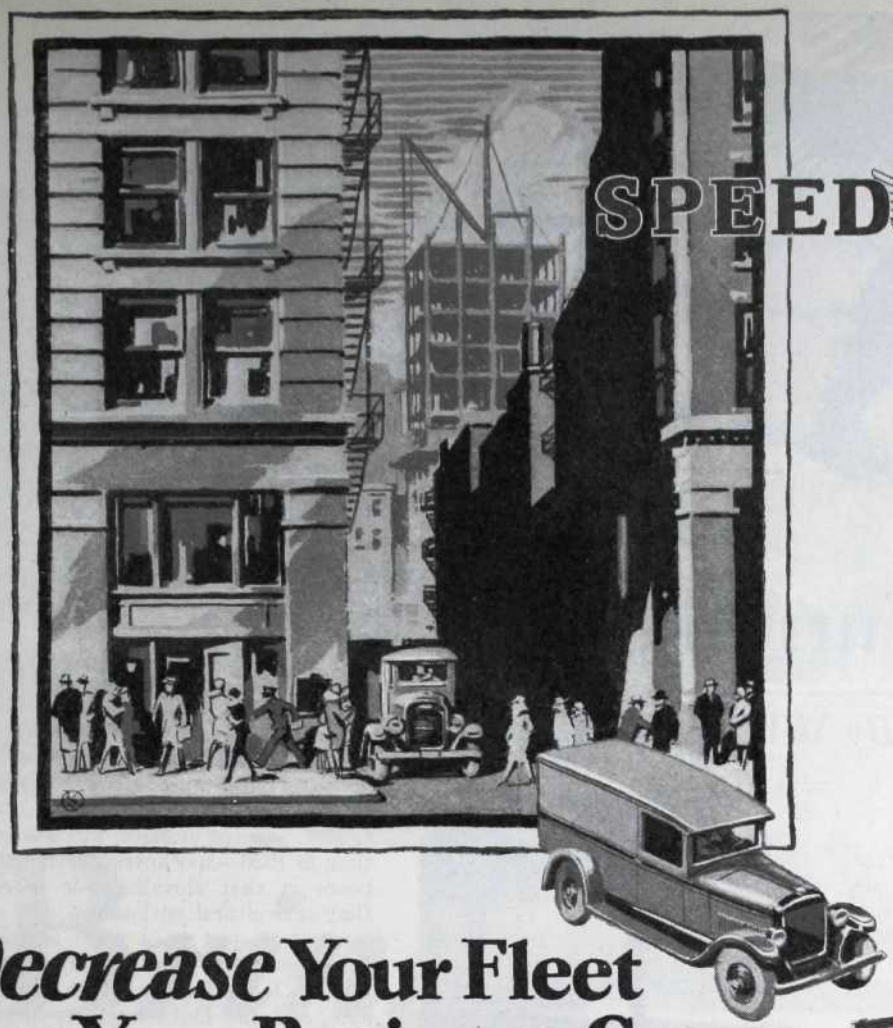
The accomplishments of the Chicago club, and the spread of its pleasant gospel of art for business men confirm belief that art is one of those fundamental things which unite all men, and make them kin in common understanding, common reactions, common feelings.

Hazlitt attested its enduring joys with saying, "One is never tired of painting, because you have set down not what you knew already, but what you have just discovered." Certainly the discoveries of the Chicago amateurs give good reason to believe that art is the spice of their business life.





"THE Last Mooring" was painted by E. G. Drew, and "A California Landscape" by E. B. Butler. In Chicago and other cities, business men are finding recreation in painting, clay moulding and wood carving



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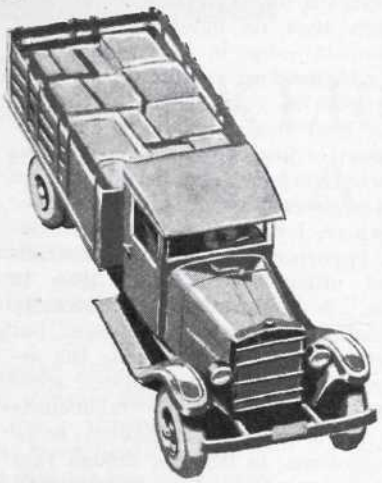
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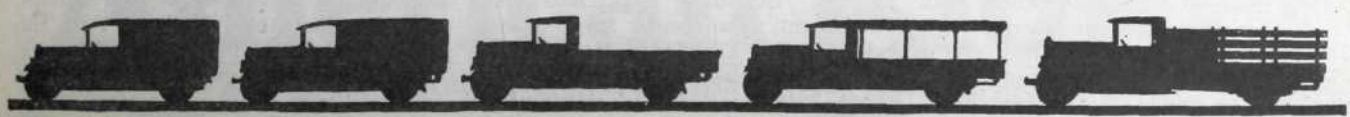
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Florida Is Turning the Corner

By WILLARD L. HAMMER

IT IS no news to say that Florida has put aside the gold rattle that was shaken so vigorously during the boom days. More of novelty is in the evidence that the state is settling down to the serious job of putting its economic affairs in order, and of making something more than a winter playground of its natural resources.

The fact is that Florida does not shut up shop after its hundred-million-dollars tourist crop is harvested. The wonder is that long ago more people did not see the all-year service of the climate. That discovery would have directed an earlier capitalization of inexhaustible sunshine and fertile soil in behalf of diversified agriculture.

Nowhere, I believe, is there more inviting opportunity to test the possibilities of intensive cultivation than in Florida. A backward look occasionally may stabilize a forward movement, but no good will come of mourning the decadence of the gorgeous emotional spree of the boom days. The tailor-made towns and townlets gave wondrous scope to imagination, to be sure, though they did small reverence to basic requirements for durable community growth. They made a flashy window display and captivated the fancy of a world. Less colorful, yet much sounder in its development, Florida's farming gradually has worked its way into the news.

Back to Fruit Growing

WHY, back in 1924, before promoters and praise agents took charge of the state, agriculture was reaching into the back country and making a name for itself. It would be easy to believe that the national interest in Florida was focused on the rocketing real estate values in 1925 and 1926. And, of course, the hurricane provided its own emphasis.

Despite those distractions, the significant thing is the showing made by agriculture during the orgy of options, and through all the inspired din of ballyhoo and spectacular dealing in futures. There are cool heads, level heads in Florida, with eyes that could see the abundant "green gold" in the willing soil. The compelling evidence is in the fact that this state ranked second of all in the shipments of fresh fruits and vegetables. Only California surpassed Florida's average of 83,000 carloads for the three years, 1924, 1925, and 1926.



Florida is building deeper harbors and many new bridges, making possible increased shipping and attracting urban as well as suburban population

As would be expected, oranges and grapefruit were decisive leaders in this tonnage. But there is profitable food for thought, as well as for northern markets, in the knowledge that the remainder of this movement included about 33,000 carloads of watermelons, celery, tomatoes, white potatoes, cabbages, cucumbers, lettuce, and string beans in that order of importance.

While the value of all crops, except oranges, was less in 1927 than in 1926—and hurricane damage appears in that shrinkage—it is certain that agricultural enthusiasm and expectancy were put on a more businesslike basis last year. The definite participation of J. C. Penney, chain-store magnate, and the Duke interests in experimental farming provide a present measure of faith in Florida's future.

These adventures in the new agriculture were not undertaken without reason or investigation. Florida was put to the test of comparison by Mr. Penney and his associates, and she made a good case. For he accents his regard for the climatic advantages with saying:

> Most parts of Florida have a 12-months growing season, which permits a succession of crops impossible to less favored sections. Should the first crop fail, its loss, if not retrieved, is at least mitigated by the success of the second; while the third, or cover crop, may be the most remunerative—not in actual cash returns, but in enrichment of the soil.

It was plain enough during the land rush that facts did less service than fables, not for lack of supply, but for lack of demand. Talk was cheap, and it did not cramp the style of the "binder boys."

Now, this new method of utilizing the state's resources is to be judged by cost accounting. This useful divining rod is being applied by the Florida Power & Light Company at its experimental farm, by the Pennsylvania Sugar Company at its operations west of Miami, and down in the "Redlands" to the south. Where is profit, and where is loss? Those are vital questions that only intelligent bookkeeping can answer.

It is no novelty to observe that com-

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modities without markets argue against further production As every business man knows, transportation is a ruling factor in determining the volume of distribution. Florida has not waited for traffic to direct provision of this facility. Land and water offer convenient connections with the north, east, and west. The regularity of vessels in the coastwise trade projects the vision of world commerce from harbors planned in the grand manner.

Newest of these causeways of commerce is the improvement at Port Everglades. Located between Hollywood and Fort Lauderdale, this harbor will have a depth of 35 feet when completed.

To the west runs a canal through Lake Okeechobee, and on to Fort Myers and the Gulf. It is a watery finger that beckons attention to the $12,000,000 drainage project for making a garden spot of the Everglades. A glance at the map reveals Florida's wealth of rivers. They are liquid assets, and some day they will be coordinated.

As for railroads, the state has long had a luxurious service to the winter resorts. Now that the Atlantic Coast Line and the Seaboard have backed their belief in Florida with an expenditure of $90,000,000 for new track and equipment, rail facilities should give agriculture and industry a brighter place in the sun. That expectancy becomes more plausible in taking note of the power output of public utility companies. The number of kilowatt hours increased from 56,971,000 in January, 1927, to 59,523,000 in January, 1928—a gain of 4 per cent.

Building operations descended from the dizzy peak of $171,000,000 in 1926, to $51,000,000 in 1927, and that is the proper prescription to allow demand to catch up with sppply. No doubt of it, Florida was overbuilt. It is always unpleasant to take a severe loss, yet that is the only course when the bubble of unreasoning optimism bursts. There can be no progress in holding back liquidation in the hope of a miracle to restore high prices. That roseate vision is only a mirage nourished in the minds of speculators who long for the lush pickings of boom days.

Back to Sound Values

FORECLOSURES are no curiosity, of course. In Florida they are an encouraging sign of the times. For they mark an end of artificial respiration and the return of sound values. One thing is sure, a tremendous recreational apparatus has been created for the delight of native and visitor alike. The fact that its creators miscalculated public interest is no argument for the abandonment of their works. They conceived a fairyland that would charm the world, and, admitting the impractical grandeur of their dream, who can deny the alluring substance of its translation?

This painful return to normalcy is a matter of primary concern to banks and bankers. Bright prospects of easy money strained the resources of many institutions, and it was only natural that some should fail. The assumption that Florida's mortality was highest nationally is easy. The records direct qualification of this judgment.

In the fiscal years 1926 and 1927, only 35 state banks were closed in Florida. For other states, the reports show that Arkansas had 29 closures; Georgia, 109; Illinois, 40; Iowa, 139; Kansas, 68; Minnesota, 117; Missouri, 92; Nebraska, 28; North Carolina, 26; North Dakota, 70; Oklahoma, 32; South Dakota, 79; Tennessee, 27; and Texas, 46. There is no odium in these figures. They are the stark reminders that the financial structures of other states were hard hit during the same period.



PUBLISHERS PHOTO SERVICE

These various fruits and vegetables were all grown in one Florida county. Florida ranks second in shipments of green stuffs

The healthy growth of Florida's banking resources is attested by the increase from $224,153,000 in 1924 to $273,630,000 on June 30, 1927. Caution and a cash reserve are the watchwords in Florida's finance today. The situation invites this terse appraisal from Ernest Amos, comptroller of the state:

When thousands of people took a whirl in real estate and went broke in 1925, from which they have not yet recovered, is it to be wondered that some banks could not help becoming indirectly involved? Deflation followed rapidly the puncture of the boom and many who were supposed to be wealthy, whose "paper" was supposed to be good, awoke to the fact that they were "flat broke." These conditions must be worked out in an orderly manner and losses be gradually absorbed, otherwise our financial structure will be wrecked almost beyond repair. Our own confidence in our financial institutions must be restored before conditions will be perceptibly bettered.

Property built when the sky was the limit of costs is not going for a song, but bargain hunters willing to shop around can sometimes call the turn. The reversal from a seller's to a buyer's market is revealed in some of the new leases —in one city property that once rated $30,000 a front foot has dropped to a nominal $6,000. While deals and dickering still favor real estate transactions, it is clear that the amazing hysteria of the earlier trading has passed. The truth is that it was fairly well localized, and hardly symptomatic at any time of all business throughout the state.

Taxes Show up Better

FLORIDA, the Florida of reality, is surely emerging from the fog of froth and folly. When the synthetic mists of illusion dissolve, the incalculable blessings of a beneficent climate and a favorable soil will still be intact. That the people appreciate their birthright is in evidence from the tax returns. Collections to October 1, 1927, in all counties of Florida for state and county purposes were at an average of 83 per cent of the full amount. Unpaid taxes did not become delinquent until April first of this year.

It is a good thing for Florida to "tell the neighbors," as she is telling them, that in population in 1926 she ranked thirty-first among all the states, and that in payment of corporation taxes for 1926 she ranked twenty-third. In total income tax her rank was sixteenth. In individual tax paid she stood thirteenth.

The "binder boys," operators who bought property on shoe-string margins —have been shaken off. Many of them have suffered severely from the tumble. Conservative Florida business men have almost forgotten their activities.

Another group that has already had its day is known as the "buzzards"—investors who sought to grow fat off the carnage.

The evidence is that the people of Florida have money and that they have enduring confidence in themselves and in their state.


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Case of Too Many Doctors

(Continued from page 48)

upon from time to time to make appropriations for certain health activities, for which money is distributed directly among the states. What do you think about the wisdom of Congress' making such appropriations? For instance, I have in mind the infancy and maternity act. Is that a wise policy?

DR. WELCH. I should have said, if we had not had the experience with it, that that act was a wise policy; in the light of experience which has followed I now question the wisdom of it. I think it has put back a great deal of welfare work. I am sorry to say so, but I am afraid it has, because it has aroused a great deal of very unjustifiable and very ignorant, very prejudiced opposition.

MR. WYANT. You speak of it with reference to that particular bill. As a general plan, would you think it unwise for the Federal Government to make large appropriations which are distributed among the states for health purposes?

DR. WELCH. Yes.

A Better Organized Service

THE President should be authorized, in view of the important position the Public Health Service now holds, to transfer thereto all or part of any executive agency engaged in carrying on a public health activity. This will make it possible to sever intelligently from those other agencies the various duties that have been added to them by Congress without due regard to proper alignment in the national health scheme. Branches of the military or naval forces —the War Department, the Navy Department, and the Veterans Bureau— can be left to conduct their own proper health work, which is pretty well defined already.

The President also should be empowered to direct that officers or employes of the Public Health Service be detailed to any other executive agency that has a necessary health work, in order to supervise or cooperate in such work, but under a single directing head. Such details should be done in certain instances by the surgeon general also.

A proper interchange of scientists between the Public Health Service and the laboratories of the country would be helpful and should be authorized more freely.

The Advisory Board for the Hygienic Laboratory ought to be known as the National Advisory Health Council, with representation thereon from the public health profession of the country.

This Council would advise the surgeon general regarding national health problems. Because of the number of sciences interested in their solution this board should have on it members from those sciences.

This course is necessary if we would eradicate a diseased condition at the center of our national health administration.

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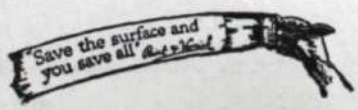
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Riders of the Winds

(*Continued from page* 40)

"is the big idea of bringing in that Armstrong-Siddeley Argosy and that Handley-Page Hampstead, and that De Haviland Hercules on an American field. Granted they're good, what can they show us?"

"From what I hear in the repair shop," said the Curtiss who had just been overhauled, "the big boss bought 'em to add to the fleet. The English make more of those big fellows than we do, and I heard my mechanics say we're just starting a new passenger service. Guess the boss was in a hurry and had a chance to pick up these ships without waiting."

"Kind of unpatriotic, I calls it," said the Stout.

"Oh, don't be provincial, Lizzie," said the Curtiss, as its propeller began to spin preliminary to hopping off. "You're a good mail-carrier and a nice fellow—but so very American, you know. Come on, let your natural geniality have a chance and make the Limeys feel at home. Serve 'em tea, or something. S'long."

As the chocks were removed from in front of his wheels, the whish of his propeller changed to a purr. He taxied for two or three hundred yards, the purr became a roar and he took off into the air singing, as every well functioning ship does

> Howdy, clouds, and howdy, sky,
> Up above the world so high,
> How is everything by you?
> Howdy, howdy, howdy do?

Soon he, his four passengers and his thousand pounds of mail were merged into a speck against the sun.

"The next ship that calls me Lizzie," said the Stout, its all-metal body and wings flashing with indignation, "is mysteriously gonna lose its rudder or one of its fans or something when we get in the hangar together."

"Be calm, be calm, brother," said the Ryan, "after all it's really a title of honor. If you're as trustworthy and serviceable in the air as your little earth-brother Model T was on land nobody can high-ceiling you."

"I guess you're right," admitted the Stout, "maybe I am a little too touchy. And I guess I ought to take his advice about the Limeys, too. After all, if they're part of the fleet we can't do anything but try to make 'em welcome."

"I say, old chap," rumbled a deep voice, nearby—it was addressed to the Ryan, "it was jolly decent of you to say what you did about us just now. I couldn't help overhearing."

"Oh, that's all right," said the Ryan to the Armstrong-Siddeley Argosy which had just been rolled out, "I was just trying to avoid the boys misjudging you. They're so used to American hail-fellow-well-met ways that they thought your reserve was snobbery."

"Sorry, my dear fellow," said the Armstrong to the Stout, "but the truth is I was too embarrassed for words. Always was an utter ass with strangers, you know. Travelling back and forth from London to Paris doesn't give you much chance to meet people, specially as we English ships had to stick to our own hangars. Didn't mean to put on any side, really."

"O. K., Old Timer," said the Stout. "Maybe I *was* a little brash in my manner, anyhow. Hear you're joining our gang. Welcome to our city. Meet Glenn-Martin—over here. No speed maniac, but he certainly knows his mail-routes.

"And here," he continued, as the ground crews rolled a couple of planes out of the hangars, "is Wright-Bellanca—a five-passenger baby that can do his 135 hour in, hour out. Duralumin body and a smart stream line. He's our Beaubrummel."

Record for Efficiency

"THAT two-engined, blunt-nosed lad beside him is Sikorsky S. 29 A. Big boy—though not as big as you are, of course. He's no racer—111 miles an hour is his top but he holds our fleet record for efficiency. Supposed to carry five passengers, but he went up the other day with fifteen—and climbed to his ceiling with one engine stopped and the other running half speed."

"I say, you know, that's splendid," the Armstrong remarked. "I can run nicely on two of my three Jaguars, but I fancy I'd wobble about a bit on one."

"Well, there's a lot of you to lift," the Stout said, looking him over. "Gosh, you must be fifteen feet high and a hundred feet span. What do you weigh?"

"Nine tons, loaded," said the Armstrong, "and I'm nineteen feet from wheels to top. Only ninety feet span, though."

"Which is plenty," said the Stout. "I feel like a flea beside you."

"Size," said the big fellow, modestly, "isn't everything."

"I'll say it isn't," spoke up the Sikorsky, as it rolled up near the others. "You and I, sir," he dipped his nose courteously toward the Armstrong, "belong in the bus class. Safe, sane, steady, dependable—that's us. Or you might call us Percherons of the air, plugging along unromantically with a good big load and landing it safe. But—see that speck?"

He flipped an aileron to indicate direction. Far in the distance a tiny black speck stood against the sun.

"*There's* your real thoroughbred," the Sikorsky exclaimed. "Only twenty-two feet span—but he rips the sky apart at 250 miles an hour. Every time I see him I feel like an inch-worm beside a gnat."

"Who is he?" asked the Stout. "And how can you tell *who* he is at this distance?"

"He's the Curtiss racer," said the Sikorsky, "and I can tell him when I can't

see him at all by the sound of that 600 horsepower engine of his."

Scarcely had he finished talking before the little plane was circling the field, had landed—at seventy-five miles an hour—and taxied up to the group.

The pilot climbed out as the machine came to a stop and the mechanics took charge.

"Break any records today?" asked the Sikorsky.

The little plane, with lines modelled on those of a gliding gull, waggled his propeller back and forth in negation.

"Sure was off my stride today," he said. "Bum gas or something. Couldn't seem to hit over two forty. Guess I need an overhaul. Can't go limping around at a snail's pace like that with *my* small wing-spread."

He said it in all seriousness and with no suspicion of boasting, but the Stout, who could do a hundred and sixteen at a stretch, couldn't help saying:

"Only two-forty, eh? Well, that *is* crawling. I guess it's the bone-yard for you, all right. Here's the old world doing a thousand miles an hour and you can't even keep up with it. S'awful."

"But I say," put in the Armstrong, "that's really pretty fast, you know. I mean to say it's four miles a minute."

"When you've been over here a little longer," said the Ryan, "you'll learn what we Americans mean by 'kidding.'

"Our friend from Detroit was just spoofing with our racing lad, here."

"Oh, I see. Yes, quite. Of course," said the Armstrong, "but four miles a minute—that's really going, you know."

"Speed is all I'm built for," said the Curtiss. "And it's about all I'm good for. I can only carry gas enough for two hundred and twenty-five miles. So when I don't get my top speed I feel as if I had to apologize to somebody. What practical use is a racer, anyhow?"

Aerial Laboratory

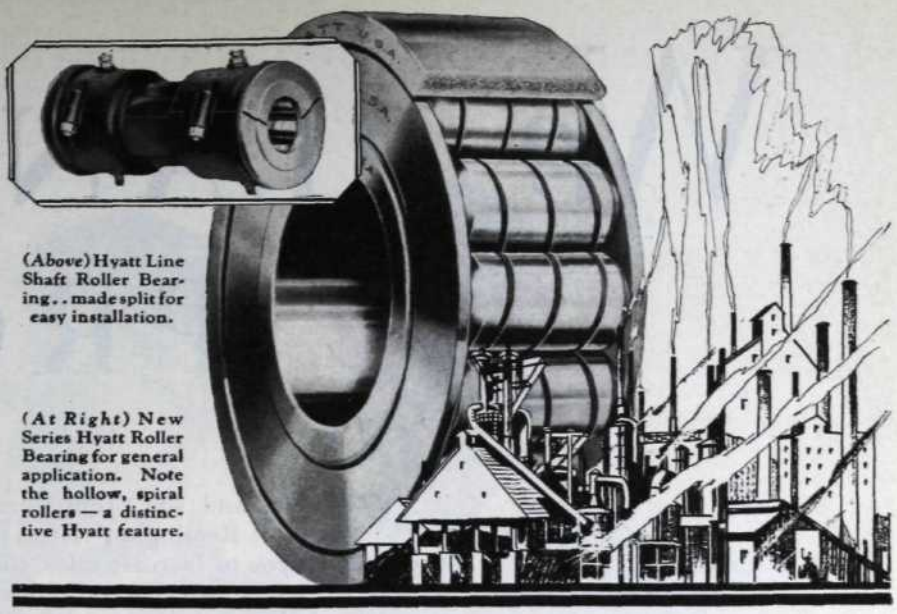
"I CAN tell you," said the Ryan. "You and all the rest of the speed ships are laboratory ships. You test out engines, and wing shapes, and lines, and everything like that for the rest of us. If it wasn't for you and the little fellows that fought in the war, *we'd* still think sixty miles an hour was speed and that a hundred miles was distance. You're the birds that taught us how—and will keep on teaching us how."

A brand new Boeing mail-plane warming up anxiously inquired, "Will any of you fellows tell me how I'm going to make a landing in the dark?".

"Where are you going?" asked the Stout.

The Boeing named his destination.

"Oh, that's all right," said the Stout, "they've got everything on that field. Control tower, landing lights—j'ever see 'em, just like a big plane heading into the wind outlined on the ground. And they've got two ground lights you can see for forty miles—unless there's a fog. If there's a fog the neon lights will guide you unless it's thick as pea-soup. Didn't



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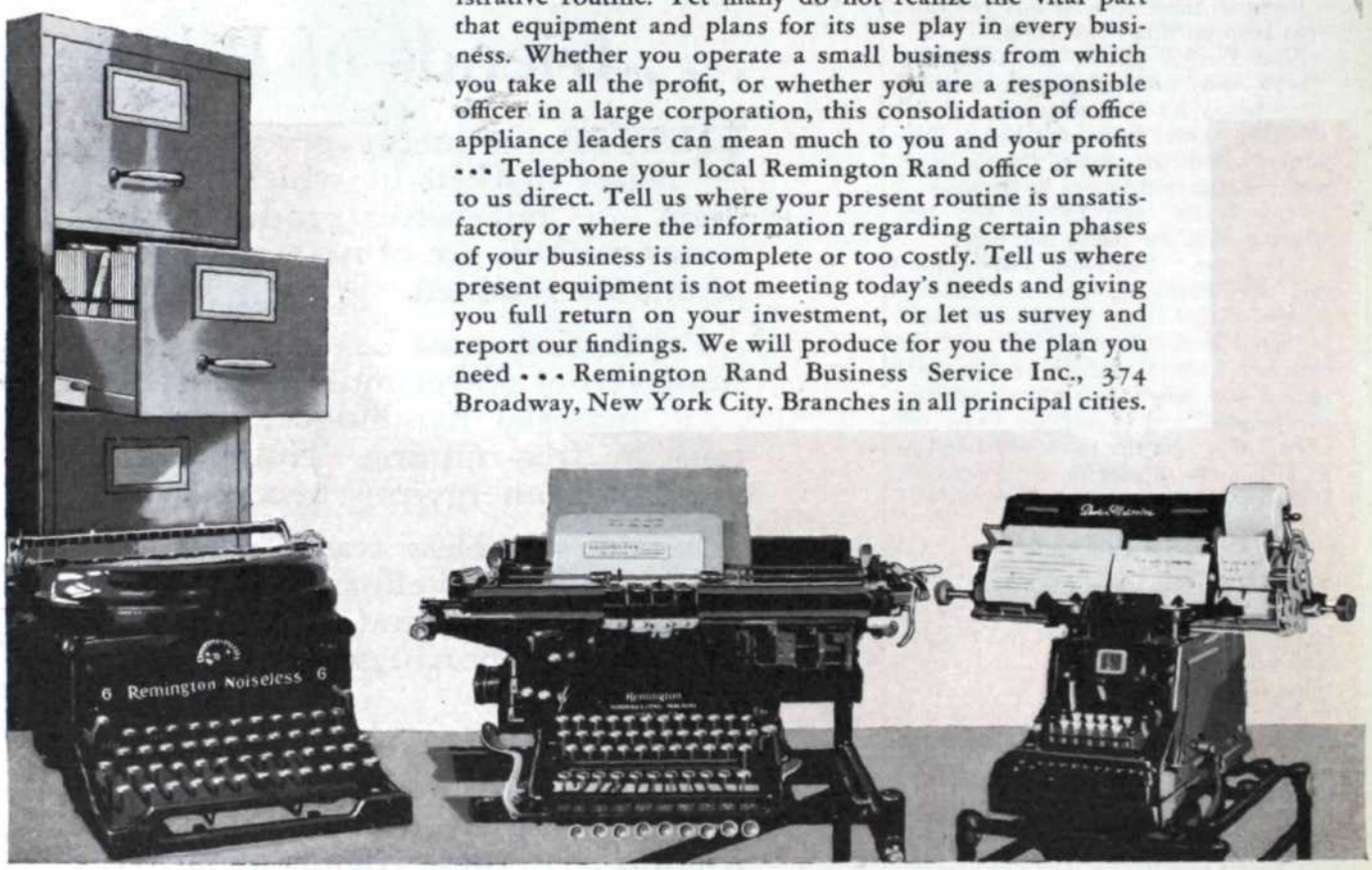
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you ever do any flying during nighttime."

"No, sir," said the new plane. "I—I never had any but test flights, you see."

"Don't you worry any, son," the Sikorsky put in, "you've got plenty of members of your family in the mail service, and I haven't heard of any of 'em crashing yet. Besides, no pilot steps into a plane from this field until he's had 1,500 flying hours' experience. And you've been inspected to the last wire."

"Thank-you, sir," said the Boeing, gratefully. "It is my first regular mail-flight. I'm carrying a thousand pounds of registered stuff and I suppose I'm naturally a little nervous."

Never Mind the Mountains

"YOU should worry," said the Stout—"you've got a range of seven hundred miles and you're only going two hundred and fifty. Even if you run into heavy fog you could pretty near cruise all night. Oh, by the way—you're going over a few mountains. Don't let them bother you. They're only eight thousand feet and you've got a fifteen thousand foot ceiling. Keep well up and don't mind a few bumps—it's always bumpy over mountains. Good air, kid."

Thus reassured, the Boeing took off like a veteran, and the ships on the Drome could hear him singing the happy ships' song as clearly and confidently as if he'd done ten thousand miles:

> Howdy clouds and howdy sky
> Up above the world so high.

"I was worse than he was on *my* first flight," said the Ryan monoplane. "So scared that my ribs were shaky and I couldn't hold an aileron steady. The other ships at that Aerodrome weren't as nice as you were to a beginner, either. They talked crashes and nose dives and side slips and stalling and everything that could happen to a plane. Gee, I was scared.

"Seems funny now when I think of the miles I've gone myself—and of the fact that we air ships run a darn sight lower percentage of accidents than motor cars do."

Importance of Pilots

"IT'S the pilots chiefly, just the same," said the big Armstrong. "If you'll pardon me for speaking of myself, you chaps, I just mean to say that I'm supposed to be almost fool-proof, you know. Three engines, every kind of automatic control, gyro compass and what not—but no pilot can step into my cockpit unless he has 2,000 flying hours to his credit. That's how strict *we* are."

"Meaning that *we're* careless, I suppose," said the Stout, suddenly taking offense. "Well, let me tell you that any Yank pilot who steps into your cockpit is going to be just as good and a darn sight better than a cockney with *ten* thousand flying hours.

"Who invented flying, anyhow—but Americans? Who flew the Atlantic first but—"

"But two Englishmen named Alcock and Brown," said the Ryan Monoplane, quietly.

"Aw, they only flew from Newfoundland to Ireland," growled the Stout, "*we're* the guys who did the whole pond in one jump."

"Oh, I say," said the Armstrong, "I'm awf'lly sorry, old chap; I didn't mean to offend you. I wasn't intending for an instant to make any comparisons—I was just illustrating how important the pilot is, still."

"And always will be," the Ryan monoplane said. "Keep your tail down, Stouty. There's glory enough for all, American, English—"

"Just the same *We* flew clear across the Atlantic first," insisted the Stout.

"Where, may I ask," said the Ryan, for the first time dropping his cheerful, genial tone and speaking with a rasp, "where do you get that 'WE' stuff? *You* never flew the pond."

"By the way you talk," said the Stout, "I suppose you're a trans-atlantic taxi!"

"I've been across," said the Ryan, "as I told you."

"Oh, I can tell that," said the Stout, "you're so darn broadminded. What ship did you go on?"

The Ryan didn't answer, for his tall blonde pilot came out of the hangar with several other pilots. He shook hands with everybody, his rather sombre face breaking into a smile that was like sudden sunshine.

The Plane With the Mask

"SO long, boys," he said. "Nice to see you all again without a mob around—and no speeches! Wish I could do this oftener. But I've got to get back to the grind now.

"Guess we'll have to uncover the old insignia again. Ask the ground crew to wash off the mask, will you?"

While the ground crew were busy with sponge and pail washing off the calcimine that had covered the Ryan's insignia, the pilot climbed into his seat.

The propellers whirred. Presently the wings and fuselage were cleared of their temporary paint.

The pilot waved his hand.

"So long, fellows," he said again. "See you somewhere or other."

"So long, Slim! Goodbye, Slim! So long, Lindy!" chorused the pilots as the Ryan taxied away. And the Stout plane almost did a nose dive right off his landing gear as he saw the legend on the departing ship's fuselage and wings, SPIRIT OF ST. LOUIS.

"Oh, I say," rumbled the Armstrong, shaking all over as the hugeness of the joke dawned on him. "Oh, I say—that's perfect! I mean to say quite perfect, really."

"Sure it's perfect," said the Stout, recovering its aplomb, and cocking an aileron rakishly toward the Armstrong. "Sure it's perfect. Nobody but an American ship could pull anything as perfect as that. That's us, bo, that's us—100 per cent American, 100 per cent perfect."

Is Thrift Still a Virtue?

(Continued from page 31)

are no mechanical inventions. Some light may be thrown on this question by considering what rich men did with their wealth, or what forms it took, in times when mechanical inventions were few.

The oriental prince, with his vast riches, is rich merely in articles of personal luxury or adornment, not in factories, machines and productive equipment. Readers of the Arabian Nights remember that Sinbad the Sailor became a very rich man. But even the fervid imagination of the East could not picture him as the owner of shops, factories, railroads and other agencies of production. His riches consisted almost entirely of consumers' goods, jewelry, precious metals, precious stones, rich fabrics and other articles of personal adornment—in short, in consumers' rather than in producers' goods.

Changing Forms of Wealth

IN Western countries, before the rise of mechanical inventions, land was the most important form of durable wealth, and the wealthy classes were in the main land owners. Next in importance came ships and merchandise, but even ships were mechanical inventions and the only kind of merchandise that embodied great riches were articles of consumption which combined large value in small bulk. The mechanical inventor has changed all this.

If you make an inventory of the wealth of any rich man of today, you will find that it consists mainly of producers' goods or securities which are merely evidences of ownership in such goods. With the exception of land, his property is the product of mechanical invention.

To show, on the other hand, the dependence of the inventor on the investor, we need only to consider what an inventor could do with his invention if there were no investors; that is, if no one were willing to pay the cost of making it and willing then to wait for it to repay that cost through its own productivity. If the inventor were able to do that for himself, he would be his own capitalist-investor. He would own the machines and devices which he himself invented, and would get for himself whatever income they could produce. That would make him a capitalist.

If he were not able to pay the cost of manufacturing his own invention, he would have to find someone else who could do it. If he could not do it himself and could not find anyone else willing to pay the cost, his invention would be useless.

Any movement for the increase of investible capital, whether it be a thrift campaign, or a campaign for the safeguarding of small investors, tends to expand the market for the products of the inventor. Conversely, any movement for the discouragement of thrift and investing, automatically contracts



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that market. The conclusion is forced upon us, therefore, that so long as interest is paid, it is a symptom that more capital can be used.

It is also a symptom that the inventors are busy enough to show people new ways of investing all the capital they are willing to accumulate. It is only when the rate of accumulation and investment is so great that the inventors cannot keep up, that long-time interest rates tend to fall. It is only when inventors are so active and so capable as to more than keep pace with the rate of accumulation that long-time interest rates in the modern sense tend to rise. [It should be understood, of course, that I am now speaking of rates of return on long-time investments, not on call loans.]

Thrift Helps Stabilize

ANOTHER fact of great importance in these days is the stabilizing effect of thrift when practiced by millions of people. A physical illustration may help to make this clear. In a country of uneven rainfall, it is the general practice to store up water during periods of heavy rainfall and use it for irrigation during periods of drouth. This tends to stabilize agriculture by distributing moisture more evenly. Similarly the spending of money may proceed more evenly if people generally form the habit of saving a little when they have money. When unemployment or some other stoppage of income occurs, they need not stop spending money altogether.

Where this is the general habit there is a more uniform expenditure of money, business is stabilized, and there are fewer periods of unemployment to provide against. By preparing for a rainy day, the rainy day is prevented from coming. This is true even if saving merely takes the form of hoarding during times of prosperity and spending a part of the hoard in times of depression.

When saving takes the form of investment, either directly or through the medium of savings banks and other thrift agencies, it works even more beneficially. Not only does it put a drag on a boom by preventing the expenditure of the entire income of the masses for consumers' goods; it also tends to increase the production of productive equipment.

If savings increase when every one is prosperous, it prevents the overstimulation of business which would happen if every one spent his increased income for consumers' goods; it also reduces profits by bringing new competitors into the field. When a depression shows signs of coming, not only do savings stop, but people begin with drawing their uninvested funds from the field of investment. This reduces competition in that field. They begin spending these funds for consumers' goods, thus making more business for the existing industries than there would be if the people had no savings to spend. In short, universal thrift would tend so to stabilize business as practically to eliminate all these alterations of booms and depressions.

Map of the Nation's Business

(Continued from page 25)

tal for that period since 1922. The decrease seems to be all with the so-called merchant furnaces because steel ingot output was expected to be fully equal to a year ago.

Rubber

FOLLOWING the break in crude rubber from 41 cents on January 1 to 28 cents early in March, a slight rally of about two cents occurred in mid-March, but with the announcement in early April of the ending in November of the Stevenson plan for restriction, the price broke to 20½ cents, which was just half that ruling on January 1 and in early April of last year.

Chain Stores—Mail Orders

RETAIL trade measures in March were about in line with those of the previous month except that chain store sales showed a slightly larger gain, while mail order houses showed a reduction from the January and February percentages of increases. Explanation of this lies in the fact that mail order sales in January and February of last year showed decreases from like periods of 1926, whereas there was a gain show in March, 1927, over 1926. Chain store sales for March, this year, gained by 18.6 per cent, mail order sales by 1.5 per cent, and the two combined increased 11.8 per cent. A year ago chain stores gained 12.3 per cent, mail order houses increased 2.1 per cent, and the two combined advanced 7.8 per cent. For the first quarter of this year the chain stores gained by 14.5 per cent, mail order sales by 5.4 per cent, and the two combined increased by 10.9 per cent.

Employment

THE absence of any definite figures of industrial employment except in the factories and on the railways has made it impossible to fix even approximately the number of idle in the country. Meanwhile estimates multiply. Secretary Davis reports a decrease of 1,874,050 from 1925. The Labor Bureau, Inc., places the total at 5,796,920. Senator Shipstead advances 8,331,000 as the probable figure. In basing his estimate on employment in 1925, the Secretary of Labor has departed from the base year 1923 selected by the Bureau of Labor Statistics. The National Association of Manufacturers reports that 1078 of its members were employing 663,000 workers, 1.24 per cent more than last year. Secretary Davis, discussing, early in April, some causes of unemployment in addition to the installation of machinery, which he has frequently stressed in the past, said 200,000 emigrants arrived from abroad each year, 250,000 left the farms for the city and in addition 2,000,000 girls and boys reached employment age.

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No. 4 of a series inspired by the report of Secretary Hoover's Committee on Elimination of Waste



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Seiberling—A Story of Friendship

(*Continued from page* 23)

ends. A slow starter, maybe. He was 39 years old when he walked into a hotel in Chicago, in June, 1898, and there met the secretary of a little strawboard company of Akron. An accident. Call it luck. He owned a little stock in the company. Just enough to worry about, for a merger of strawboard companies had closed the plant and insurance and interest and watchmen were eating its head off. Of course, the secretary was an Akron man and of course Seiberling might have talked with him at home, but men are more free in the upholstered loneliness of a hotel lobby.

"Just the man I want to see. Help me sell the plant."

Seiberling did not have $100 in the world, but he bought the $150,000 plant for $13,500, of which $3,500 was to be cash on the nail. The following day he raised the money among his friends in Akron. He planned to use the strawboard machinery, but he met a friend:

"Go into the rubber business, Frank," said the friend. "It is alive."

Into Business Ex Tempore

AT SIX o'clock the next morning he was in the rubber business. He knew nothing of it, but he was a good mechanic and he knew he could work hard. For years it was his habit to be at the factory doors at half past six o'clock each morning, watching the men come in to work. He had $1,500 left of the $45,000 cash he had raised when the tire-making machinery was in place. On December 23, 1898, six months from the day he bought the factory, he turned out his first 100 pounds of rubber.

On December 24, 1898, the Federal courts validated the tire-making patents of the Grant system. The Consolidated Rubber Company threatened to pursue infringers.

On December 25 he was in Springfield, Ohio, bidding for a license to make tires under the Grant patents.

He got it, but he got too much along with it. He contracted with a company to take his entire output. He was a young man then, and trustful, and he turned over his salesman to the contractors. By and by they owed him $57,000 and he could get no settlement. He had no market left and no selling force. One day he met his former salesmen.

"What's the matter?" he asked.

"They're going to break you if they can," said the salesman. "They will not pay."

At eight o'clock the next morning Seiberling's directors heard the story and turned pale.

"We'll quit," they said. The double liability law was in force in Ohio then. Some of the directors faced ruin. Seiberling jeered:

"Quit — shucks!" said he. "We'll fight!"

"But we have no money."

"We've been running for three weeks without any money. We will keep on running without money. And we'll sell to their customers, too."

He brought suit for the $57,000 and managed to keep his doors open. He met every payroll, too, and paid every bill. Just by an eyelash often. No dollar ever stayed in his office. It passed right through.

At last the debtor company offered to compromise for $30,000. Then Seiberling showed the quality that has stayed with him for fifty years.

"No compromise," said he. "Every cent or more fight."

"You're a fool, Frank!" shouted his lawyer. Everyone compromises. That's the way people do business. "You're lucky to get half."

"I'll get it all. They have abused me. Said my tires were not good. I'll make 'em pay every cent." And they did.

A tale of years must be compressed into a few sentences. In 1901 he formed the first pool of tire manufacturers. Pools were legal then. He invented his straight side tire with a detachable rim, which revolutionized the tire business. In 1903 he was prosperous and busy and was engaged in forming another pool, to eliminate some of the abuses which threatened to wreck the industry, when he received a telephone message:

"Come to New York. Tomorrow."

He had taken a well-to-do man into his company to facilitate securing the credit he increasingly needed. At New York his financial mainstay was pale and haggard. He had over-extended his personal commitments and his lawyer had advised him to disappear. It would be easier to untangle the knot if he were not on hand to tangle it up again. Seiberling could not believe his ears.

Stay to Meet Trouble

"WHAT? Run away from trouble? Never! Stay and meet your creditors. You will find they will all be reasonable and fair."

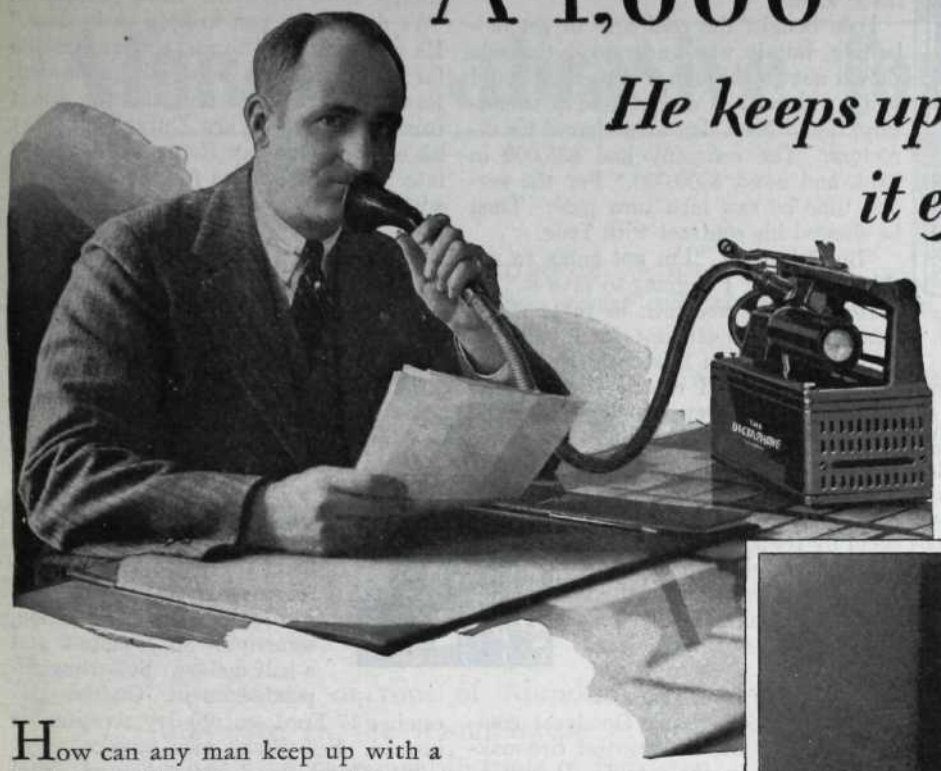
But the unfortunate—he was no more than unfortunate—took his lawyer's advice. There was but one way in which Seiberling could find the money for his company's debts and that was by selling the company. He knew the U. S. Rubber Company of Springfield was the only possible purchaser. He called Charley Butler on the telephone at Detroit. They were business rivals but they were friends.

"I want you to go with me to see Charles R. Dale."

Dale was the head of the U. S. Rubber Company. A stalwart, hearty, rugged man who was a good friend and a stout enemy. They found Dale on the sundeck of the steamer Northwest at Cleveland, on his way to Detroit. Dale did not want Seiberling's concern, but he did want Seiberling. He offered to jump his

A 1,000% increase

He keeps up with it easily - Now



Talbot T. Speer

President and General Manager of The Baltimore Salesbook Company. Since 1922, under his direction, the business has grown from one office to sixteen offices; from a handful of customers to 30,000.



Josephine P. Hoffman

Secretary to Mr. Speer; also is Head of the Credit Department and Secretary and Treasurer of the Company. Miss Hoffman occupies the highest position held by any woman in the organization.

How can any man keep up with a business which grows nearly 1,000 per cent in five years?

"Two years ago we added this new daylight factory," said Mr. Speer, "yet we now must double our plant and equipment to keep up with the demand for department-store salesbooks, bank deposit books, manifold books, and the like.

"Four years ago we put in Dictaphones. They immediately reduced the pressure of work for all of our executives; and have helped our general progress.

"You've no idea what a great convenience The Dictaphone is to me, personally. It saves my time. I don't have to wait an instant when plans and ideas come to me. I don't have to suit the time or convenience of anybody, because my Dictaphone is always right here on the job.

"No secretary or stenographer wastes her time taking notes in shorthand. This waste, multiplied by many stenographers, would cost thousands in a year. The Dictaphone is used by everybody; shorthand by nobody, ever.

"Up to 1923, Miss Hoffman took all my work in shorthand. She is Secretary and Treasurer of the Company and also has charge of the Credit Department. She would not have been able to hold these positions if she had not discarded her shorthand. Her efficiency is at least double what it was before we adopted the Dictaphone system."

FREE BOOK



of portrait-interviews

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DICTATE TO THE DICTAPHONE

REG. U.S. PAT. OFF.

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☐ You may tell your nearest office to let me try the New Model 10 without obligation.

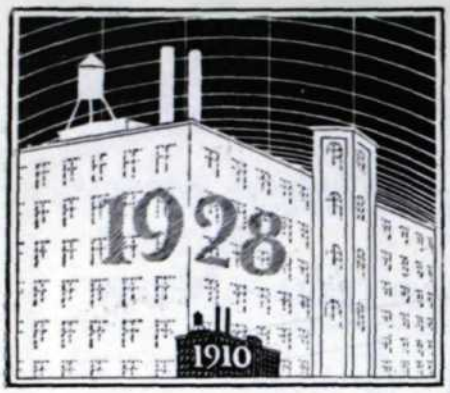
☐ I want to read what leading executives or secretaries said, *when interviewed*, about increasing their ability with The Dictaphone. Mail me a FREE copy of your book.

Name .....

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For Canadian inquiries address Dictaphone Sales Corp., Ltd., 33 Melinda St., Toronto, Canada
World-wide organization—London, Paris, Brussels, Sydney, Shanghai, etc.

NB-4



Investigate
This City of Amazing Growth!

A RARE COMBINATION of industrial advantages has kept Roanoke growing in high-gear ever since 1880, when the population jumped from 669 to 5,000 in four years. Six years later it reached 16,000. Today, its community population tops the 80,000 mark!

What unusual advantages could cause such amazing growth?

Why is the world's largest artificial silk mill located in Roanoke?

Why is Roanoke now the location of 111 different industries—with many plants the largest of their kind in the South?

Why has Roanoke become a favorite distributing center of some of the country's leading manufacturers?

Evidently gold has been discovered in Roanoke—not in the ground, but in the unique natural advantages of this strategically located southern city.

Send for the "ROANOKE BRIEF." It tells why growth there is a habit—and what astonishing advantages Roanoke offers to those contemplating new plant locations, branch warehouses, etc. A just-completed expert Industrial Survey further permits us to provide most accurate and detailed industrial data.

Write on your business letter-head today for this important information.

Chamber of Commerce
207 JEFFERSON STREET

ROANOKE
VIRGINIA

Most Interesting Motorland in America



Who has not heard of the many charms of Old Virginia? — a land famous for its historic shrines, beautiful mountain scenery and boundless hospitality! Now fine modern highways make this scenic wonderland a mecca for the motorist. Come this spring. Write for noted free tour booklet—"The Log of the Motorist through the Valley of Virginia and the Shenandoah."

CHAMBER OF COMMERCE
ROANOKE, VIRGINIA

$3,000 salary to $20,000 on a five-year engagement.

"You cannot buy me," said Seiberling. "Not until my stockholders have been made safe."

Dale bought the company to get Seiberling, but it was understood the sale should not go through if Seiberling could find a way out. A decent kind of friendship, that. Next day he gathered his directors. The company had $35,000 in bank and owed $300,000. For the second time he saw men turn pale. Then he showed his contract with Dale.

"But," he said, "I'm not going to sell this company. I'm going to save it."

He started three men in three directions to see the creditors and took the fourth himself. In 18 months he had his company free and clear again. Sometimes shyster lawyers found weak-backed creditors and persuaded them to bring suit, but the file rooms of the two available courts were locked against them by friendly clerks until Seiberling had time to find and fix the complainants. More friendship, you'll note. He has never lacked for friends.



There were level years of prosperity. Seiberling's Goodyear company had become the greatest tire-making company in the world. It still is. He could—and on occasion did—do everything that is done in a tire-making plant, from putting on the beading to borrowing money in a bank. In 1919 he was sixty years old and going strong. If it is of any interest to learn how a sixty-year-old man keeps himself in race horse trim, listen to what he says:

"I eat a good breakfast and no lunch. Not much meat. Plenty of vegetables. That's all."

When Business Boomed

AMERICAN manufacturers had carried light stocks of goods during the latter months of the war, for everyone anticipated a slump when the fighting ended. Business increased instead, after a slight reaction. By 1919 prosperity was at its peak. The Goodyear company turned out that year $168,000,000 worth of tires on which it profited $23,000,000. No one listened to the prophets of doom. No manufacturer could fill his orders. Seiberling was running cotton through from Connecticut mills to the Akron factory in 18 hours by truck. The shift drivers slept in hammocks in the truck tops. Railroads needed seven days for the same haul. Once the great factory was within two and one-half hours of closing for lack of material.

Turn to the page of 1920. The Japanese silk failures had started. The Federal Reserve Board had begun to tighten credit. Banks were closing their doors. The signs of trouble ahead are apparent now, but not so easily to be seen then by manufacturers whose customers were clamoring for more.

"I should have seen what was coming," Seiberling says. "All my fault. I take the responsibility."

But he didn't. W. C. Durant, then with the General Motors company, and Henry Ford were his chief customers. "We depend on you to keep us in tires." He was compelled to make commitments far ahead for the material he needed. Raw rubber spends four months afloat from Singapore. Then Durant cut short his orders. One day Henry Ford walked into Seiberling's office for the first time, with five or six of his men.

"Cut Your Prices"

"I HAVE just lowered prices on my Model T," said he. "We are selling them now for $17 less than it costs to make them.

"You must help us out. Cut your prices if our doors are to stay open."

"But we cannot—it would ruin us—"

"You must."

The expedient was desperate but useless. Ford's check had always come on the seventeenth of the month. Sometimes for a million, sometimes for a million and a half dollars. Seiberling depended on it. On this December 17 Ford sent 90-day acceptances instead. Seiberling's men raved:

"We'll do this," they shouted, "and that. We'll make him pay——"

"Nonsense," said "F. A." "Henry did not do this because he wanted to. He did it because he had to. We'll help him all we can."

Ford took up his acceptances in 40 days, but the country was getting toward panic. On December 30 Ford shut down for a month. Seiberling borrowed $18,000,000 on 90 days for the Goodyear company, but in the end the company had to go through a reorganization.

"There was no receivership," he says, proudly. "We paid our bills. But it was the most severe reorganization ever put through Wall Street."

An odd note here. Seiberling believes the Eastern bankers had determined to crush him because he would not turn over his controlling interest in the Goodyear company, but he does not suggest that their motives were sordid. They were not simply trying to make more money. They wanted power. They wanted to be alone in control. They were ruthless, as he sees them, but not savage. And not money-mad. But he was in their way.

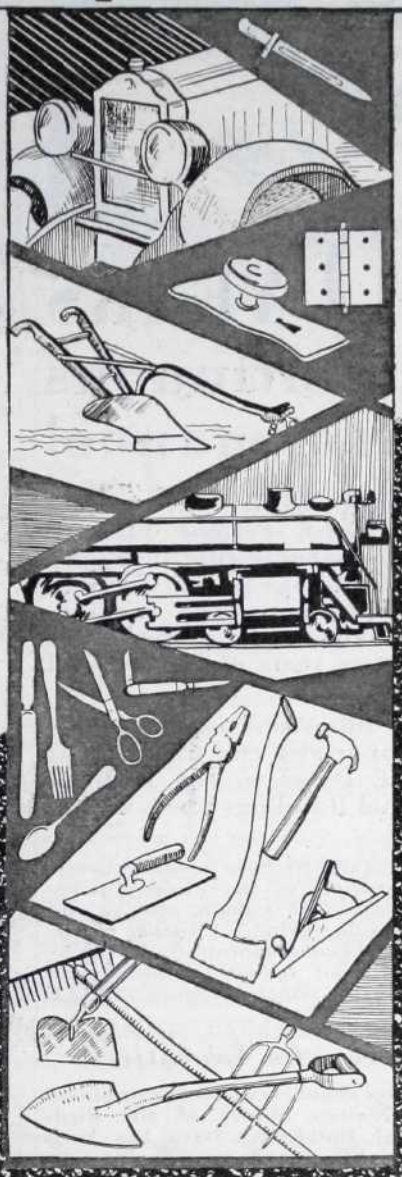
"Get out," they said, "and get $15,000,000. Stay in and go broke."

"I will not get out. And I will not break."

Friendship saved him. He created the Prudential Securities and Realty Company to handle his affairs, for he was personally involved to the tune of $6,000,000. The Prudential's notes were extended and extended again, but the recovery did not come as soon as he had hoped. The end seemed in sight. Then he heard from Edgar B. Davis. It was



Alundum abrasive for polishing



Polishing, as well as grinding, is an important operation in the metal working industries. Tools and parts of machines and vehicles are polished with that product of the electric furnace known by the trade mark Alundum.

Hundreds of tons of this electric furnace abrasive are employed in the manufacture of various brands of abrasive paper and cloth.

Thousands of tons of Alundum Abrasive are used in the manufacture of grinding wheels—indispensable tools of industry.

Norton Company, Worcester, Mass.



NORTON

Grinding Wheels
Grinding Machines

Refractories-Floor
and Stair Tiles



20 YEARS of Continuous Performance!

ONE hundred and twelve PEELLE Freight Elevator Doors installed in the Bush Terminal Buildings in 1907 are still rendering constant service. Maintenance costs are negligible and many years of life are still ahead.

Today, numerous repeat orders have brought the number of PEELLE Doors in the 13 Bush Terminal Buildings up to a total of 968.

Elevator traffic in these buildings covers a wide variety of freighting requirements—about 40% being storage and 60% manufacturing. Unusual conditions fully and economically solved by the fool-proof operating mechanism and enduring construction of PEELLE Doors.

Surveys for Executives

Executives should send for the unbiased C. A. Nielsen Survey of the Bush Terminal Buildings. Data has been approved by construction engineer in charge. It may prove helpful. Write for it now.

THE PEELLE COMPANY

Home Office and Factory: Brooklyn, N.Y.

Boston - Chicago - Cleveland - Philadelphia and 30 other cities

In Canada: Toronto and Hamilton, Ont.

PEELLE Freight Elevator DOORS

"The Doorway of America's Freight Elevator Traffic"

When writing please mention Nation's Business

Davis who had interested him in raw rubber originally. Then Davis made a fortune in Sumatra, where his 16,000-acre plantation was the largest in the world. He came to Texas and tried the oil business. It was unkind.

"Loan me $57,000," he said to Seiberling. "I'll drill again. I know the oil is there." He got the check. Then he got the oil.

They have never been particularly intimate, but they respect each other. A similar streak runs through the characters of both men. They will not be "put upon," as the old folks say. They resent injustice. Neither thinks of money except as the tangible evidence of success. For years Seiberling worked in millions at the salary of a cigar clerk. Davis makes and loses fortunes with equanimity. When Seiberling was in the last and deepest hole of all Davis wired him:

"Meet me in St. Louis tomorrow." When Seiberling met him he said:

"Here is a check for $500,000. Good bye."

Davis returned to Texas that day. But his $500,000 was not enough. Then John N. Willys played his part. In 1908 he had been the largest single customer of the Goodyear company. One day he made his first call on Seiberling.

"I had to come and tell you, Frank," said he. "I'm broke. I'm done. And I owe you $412,000."

"I will renew for four months," said Seiberling. "And then four. And then four more. Go see your other creditors and tell them I said so. No, wait. I'll give you a letter."

The next day Willys said, jubilantly: "I've seen them all, Frank. I'm all right now. They all play your hand."

When the Davis cash proved to be not quite enough Willys renewed an offer of help. He was just walking out of his hotel in New Orleans when Seiberling got him on the telephone from Akron:

"I must have the $400,000 in Willys-Overland securities you offered," said he, "by noon tomorrow, or I'm done."

A bit of luck there! Catching Willys at the door of his hotel. He did not know whether his securities were in Toledo or New York, but he stayed on the wire until he found them. At ten o'clock the next day they were in Seiberling's hands and another corner had been turned. Even yet the bankers were not satisfied and in the end Davis underwrote the Prudential company's notes for $5,300,000 and Seiberling was safe. A few months ago the transaction was finally washed up, but Davis would take no interest and no reward. That's the sort of a man he is. The thing that makes him more angry than any other thing is to see this story appear in print.

He Never Speculated

THROUGHOUT Seiberling's story the dominant motive is that of creation and not cent per cent. He does not speak of his profits. He never bought or sold a share of any stock for profit. Never speculated. He saw Akron grow from a city of 40,000 to one of 240,000, and some of that growth is due to him. He built 1,200 houses for his workmen, complete with bath and furnace and good kitchen and open fireplaces. A good man could buy a house without a penny down. If he died an insurance policy saved the home for his widow.

"That was worth doing," he says with satisfaction.

He is frankly proud that he did not sell control of the Goodyear company when the smash came in 1920. Fifteen million dollars did not tempt him, although ruin was in the other end of the scales. His friends stood by him, too, just as he stood by his stockholders—"oh, all but two or three and they didn't count"—and when he asked for $500,000 with which to create a new rubber company, in the dark days when it seemed that his control of the Goodyear company had been taken from him, "the home folks subscribed it almost over night." One man he had never seen took $50,000 of the stock because Seiberling had carried out his contracts with the cotton manufacturers in 1920 and saved the industry millions.

Another asked for an equal amount because "I had known of you from a friend."

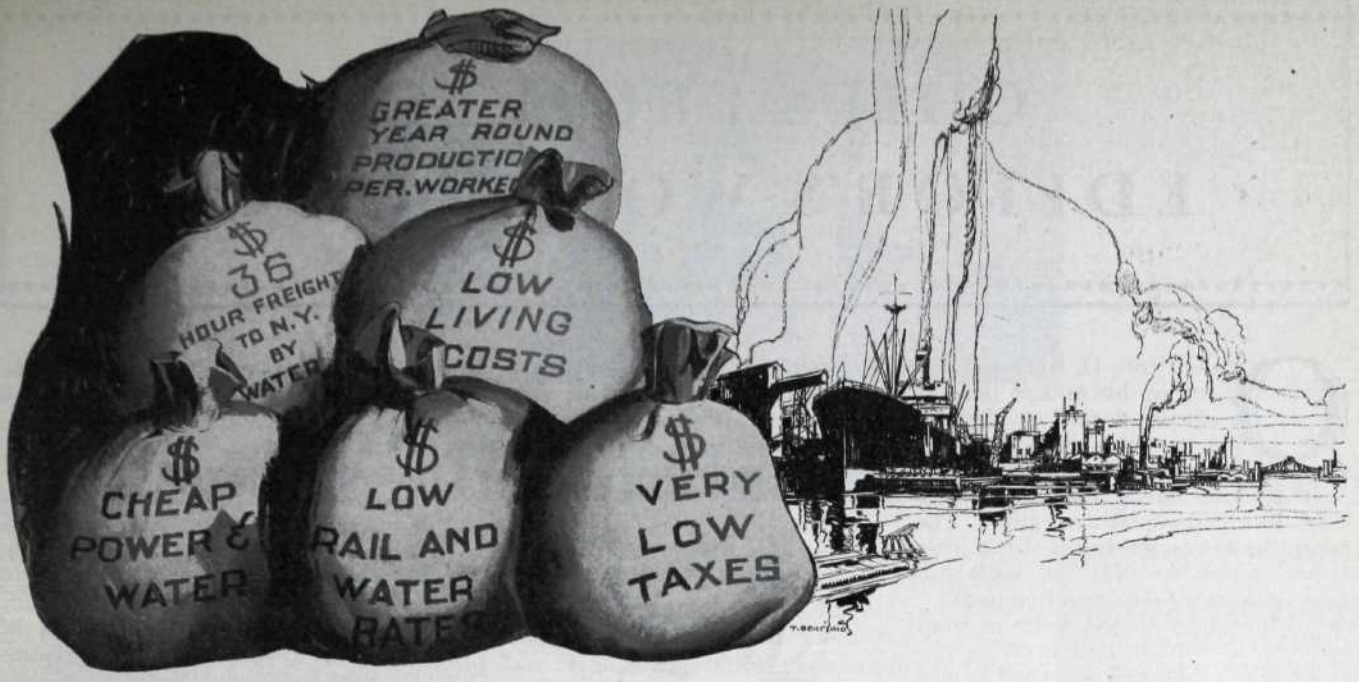
Luck? Well, some. Confidence? A lot of it. Hard work and know how, of course. But mostly—or so it seems to me—friends.

More Auditing a la Government

EVEN the man in the street is in position to know something of the operation of electric railways, yet several years' experience with the municipally-owned system in Detroit gives the citizens no decisive light on costs. The difficulty is that the accounts speak a various language when interpreted by different investigators.

Two sets of auditors have been trying to find whether the system is paying its way or losing money. The firm employed by the city reports a small surplus from last year's operations, allowing for all proper deductions. Another firm is just as positive that the system lost more than $1,000,000 in the year.

Here is a riddle that leaves the public only the perplexing choice of doubtful answer. Business men would like to believe that accounting practice takes no color from partisan convictions. The situation in Detroit, with its annual spectacle of auditors' quarrels, gives dubious confirmation to that belief. For the only certainty is that the people of Detroit do not know yet whether their street railway system is self-supporting.—R. C. W.



Greater Profits Can Be Made By Locating Your Plant In The James River Basin

What Chicago's industrial area is to the East and West, Richmond's James River Basin is to the North and South.

It is a strip of land eight miles wide, running from the head of navigation in Richmond 30 miles east to Hopewell. It is less than eight hours from the population centers of the North and the richest sections of the South. Through it runs the historic James River.

Plants locating in the James River Basin do not need to decentralize in order to serve both the North and the South.

In 1927 the Allied Chemical and Dye Corporation and the DuPont Rayon Company announced their decisions to make investments in the James River Basin running into more than one hundred million dollars.

Plants already located in the James River Basin report profits in 1927 because of so many manufacturing advantages.

High production is maintained by workers because of Richmond's industrial climate, averaging 58.3°, which eliminates the cold winters and the hot summers.

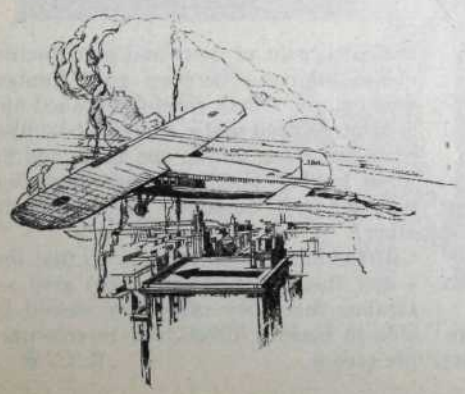
One corporation saves $55,000.00 annually in taxes by locating here. Another saves thousands of dollars annually by having express service to New York at water rates. Others add to their net profits because of overnight distribution facilities to the richest sections of the South; cheap power; favorable freight rates; low living costs; pure and plentiful water.

Sites are still reasonable despite the fact that many factories have located in the James River Basin. Richmond offers certain economies to those factories now operating at a disadvantage elsewhere. Would it not be worth while to decide how a location at Richmond compares with your present one? Such a study will be made of your problem without obligation.

Industrial Department
RICHMOND CHAMBER OF COMMERCE
Box, 100, Richmond, Va.

RICHMOND VIRGINIA

As far South as you *Need* Come for labor and Southern Distribution: as far South as you *Can* come for quick transportation North by rail and water.



The drone of the air plane—the dirigible—are familiar sounds in Richmond. For here, according to many fliers, is one of the best air-ports of today. The bird-man looks down on roof-tops where giant arrows point the way to the landing field with its long runways, shops and crews of busy mechanics. Richmond is on the main line of air travel.

SUN. MON. TUE. WED. TH



SAT. FRI.

day in *and* day out!

TO A LOT OF SMOKERS STILL SHOPPING AROUND, HERE'S A FACT OF NO SMALL INTEREST: THE EVERLASTING DEMAND FOR A *REALLY* DIFFERENT ONE KEEPS FATIMA RIGHT UP AMONG THE BIG BRANDS, *IN SPITE* OF ITS HIGHER COST.



FATIMA

© 1928 LIGGETT & MYERS TOBACCO CO.

The Museum Can Help Business

(Continued from page 52)

or a new machine to help him carry out his daily business tasks. Business is more and more developing all kinds of mechanical devices which make for efficiency. There are typewriters, adding, calculating and bookkeeping machines, merchandise and mail carrier systems, to say nothing of telephones, elevators, and hundreds of other well known aids.

One department of the museum will be devoted to the development of such devices by enlarged and sectioned working models. The business man will get not only education about the things which he uses, but new ideas of things that might be adapted to his special needs. The presentation, of course, must be dominated by the educational point of view rather than that of commercial display.

One man says business houses will send their employes to the museum that they may become more proficient and more interested in their work. It will be interesting to watch the relative merit of this kind of training as compared with that afforded by correspondence schools and special classes.

Models Rival Books

HARVARD University is inaugurating a system whereby the student is not annoyed by recitations and lectures over a period of several weeks. In the museum, the student will train himself with the aid of all sorts of models.

In the *Atlantic Monthly* for February, Earnest Elmo Calkins, writing on "Business the Civilizer," says, "This all means that business, as it is now conducted, is the supreme field of endeavor, calling for every quality of mind that success in the most idealized profession demands—brains, energy and imagination."

The industrial museum is an asset to trade to a greater extent than any other type. Recently the Metropolitan Museum of Art issued a special bulletin showing how it has promoted and extended business in art commodities. Just so the industrial museum will be able to make a showing for increase of business in industry within its province.

Domestic trade will be benefited in several ways. Business executives will find improvements that can be made in their commodities or in the machinery and devices used in manufacture, or in apparatus for research and testing. Within the last month one executive, after visiting the Museums of the Peaceful Arts, writes that the company has decided to start a line of manufactured articles new to this country and based upon his findings at the museum. Another manufacturer's representative made two visits to the museum to copy a design of a testing equipment for his product. Many inquiries have been received as to where to obtain articles that are a part of operating exhibits.



Eleven Sani-Dris have been installed in the washrooms of two departments of the Industrial Fibre Company, Inc., of Cleveland, Ohio

Saving 80%
of Former Towel Costs

"WE HAVE FOUND the change from roller towels to Sani-Dri very satisfactory," says L. R. Carrier, Superintendent of the company which is engaged in the manufacture of Rayon yarns. The results of a three months' test revealed the following:

Formerly used 76 roller towels per week—cost - - -	*$26.60*
Replaced with 11 Sani-Dri Dryers—operating expense -	*4.40*
Saved weekly by using Sani-Dri Dryers - -	*$22.20*

Think of it! An estimated saving on washroom upkeep expense of nearly $1200 in one year—practically enough to pay for the eleven Sani-Dri machines—their first 12 months of operation. In the face of these figures—and scores of similar instances—how can any business institution with a sizable towel bill afford to be without Sani-Dri equipment any longer?

Whenever 20 or more people use the washroooms Sani-Dri installations should cut your towel bills 50% to 90% whether you use individual towels, paper towels, cabinet or roller towels. How to make Sani-Dri pay for itself in your own washrooms is explained in the booklet—"Cutting Towel Bills Everywhere." The coupon will bring you the story.

Sani-Dri

Chicago Hardware Foundry Co.
Room 300, Sani Building
209 W. Randolph St., Chicago

Send me full information about Sani-Dri electric dryers for washrooms, and a copy of your booklet "*Cutting Towel Bills Everywhere.*"

Name.....

Address.....

Position.....

When writing to Chicago Hardware Foundry Co. *please mention Nation's Business*

YOU KNOW the Erie Railroad as a Pioneer among the pioneers, the first trunk line system operated under one management.

But do you know the Erie Railroad of today, rebuilt, re-equipped, in the strongest position of its hundred years of history, under its new owner-management!

A great, double track steel highway, connecting the Great Lakes with the Atlantic seaboard, serving along the way the commerce of New York, Jersey City, Paterson, Binghamton, Scranton, Elmira, Hornell, Jamestown, Buffalo, Cleveland, Youngstown, Akron, Dayton, Cincinnati, Indianapolis and Chicago.

And connecting with fast, fixed schedules serving Pittsburgh, Philadelphia, Boston and New England.

The heaviest, fastest locomotives ever built of their kind, thundering commerce trains along on "cannon ball" time. The finest export pier in New York Harbor. Freight and passenger terminals at the mouth of the Vehicular Tunnels and the business heart of New York only fifteen minutes away over dry land!

General Motors, Truscon Steel, Ohio Brass, Youngstown Sheet & Tube—the almost endless list of leaders who find its service up to their standard and then a little more, is like the roster of American industry.

Its speed and dependability are "saving the day" for someone every day.

Modern, comfortable passenger trains between New York and Chicago and intermediate points, with splendid dining service and no extra fare.

SHIP and TRAVEL by the

FAST ERIE SERVICE

The Shameful Waste in Business

(*Continued from page* 43)

than it is today. Deductions based upon its position last year are by no means necessarily valid now. With such a constantly changing front, it is doubly important that our strategy should be based upon a most effective intelligence service. One of the outstanding reasons for such successes as have been achieved during the past six years by American industry and commerce is the highly effective contact maintained with this front, the constant check that has been kept on the operations of those persistent foes, waste and inefficiency, by trade papers, trade associations and the improvement of governmental fact-finding agencies.

Nevertheless, when we realize that the entire export trade of the United States in the year just ended was a little under $5,000,000,000, or say $3,000,000,000 less than this smallest estimate of the waste in our trade at home, we begin to realize what "shooting at $8,000,000,000" means, and how important it is.

The tremendous waste in American business comes under three general heads: Waste in physical handling of goods; waste in selling and advertising, and waste in buying.

Under waste in physical handling we might make these subdivisions: lack of simplification of lines and unstandardized purchasing; lack of understanding of the cost of physical distribution; overproduction and deterioration before use; lack of cooperation among distribution agencies; and factors such as inadequate transportation and terminals, inefficient loading and shipping, poor packing practice and much unnecessary haulage.

The Cost of Not Knowing

WASTE in selling and advertising may be accounted for through destructive competition by those who are exhausting capital because of lack of understanding of the fundamentals of their business; through huge expenditures of effort and money in advertising and sales promotion efforts without sufficient information as to the background and base of that promotion; through lack of uniformity of business practices in terms and documents, which results in misunderstandings, disputes and frauds; through lack of standards of quality and grades, unnecessary multiplication of terms, sizes and varieties, through bad credits; through the presence of too many links in the chain of distribution and of too many chains in the distributing system; through the unfair practices of small minorities or groups, and because of disorderly marketing, particularly in perishable commodities, leading to gluts and famines.

Buying waste may be classed under those resulting from inaccurate "measures" of the obsolescence of machinery

and lack of knowledge as to when it should be replaced, insufficient inventory control, lack of effort to eliminate seasonal fluctuations in business; insufficient information as to national stocks and as to production and consumption, with attendant risks and speculation.

The science of distribution has failed to keep pace with our improved manufacturing methods and millions are thrown away each year in inefficient selling efforts, in chasing the "mirage of a national market" for commodities whose best market is often within the limits of a city.

Methods Change Fast

CONSIDER the mail-order houses. They were supposed to derive much of their advantage from the fact that they have no salesmen or no expensive retail establishments. But they are now finding it advantageous in many cases to establish retail display stores. Many of them are employing the equivalent of traveling salesmen to put their catalogs in the hands of prospective customers.

Some chain stores now find it better for business to take telephone orders and build a delivery service. All of us are familiar with the fact that many department stores have many new service departments, golf schools, "baby checking" facilities, beauty parlors, etc.

We have retailers organizing cooperative wholesale buying associations, wholesalers organizing chains of retailers and manufacturers dealing directly with retailers or, in some instances, undertaking house-to-house selling to consumers. We have department stores establishing branches and retail stores consolidated under one management. There is through it all, hand-to-mouth buying, instalment selling and a host of like movements.

This will give us experience and we shall no doubt develop better methods, but in the meantime we appear to be spending great sums and to be exerting our energy fruitlessly. Experience is a good school, but the cost of tuition is often prohibitive.

Studies of census figures recently made show that the average employe in 1925 produced 50 per cent more volume than did the employe twenty-five years ago. In the two years between 1923 and 1925 the factory output of the country increased in value $2,500,000,000 accompanied by a substantial decrease in personnel, but this advance has not had its counterpart in that other great phase of business which is termed distribution.

We have no yardstick by which we can measure progress in distribution as we can in manufacture, because as yet no fundamental census of the distributive agencies has been compiled. This great business nation is lacking almost entirely in any accurate, comprehensive compilation that covers the greatest single item in our vast commercial activities, that is, in the volume of wholesale or retail trade. We do not know, either,

A DOCTRINE

in which some Notable Advertisers have discovered profit possibilities

IT SEEMS STRANGE when you come to think of it, that the well proved doctrine of creating consumer demand has not been more widely applied to the home.

Only a moment's thinking about how things are bought in your own home will convince you of its applicability to a wide range of products.

Mother is the purchasing agent to be sure—but like all such agents, how sensitive to the likes and dislikes of her principals! And even about things for her own use, what mother does not value the public opinion of her family? In other words "the more *members* of the family you tell the quicker you sell."

During 1927 some notable advertisers like Heinz, Royal Baking Powder Company, Quaker Oats Company and Cream of Wheat came to this conclusion. And that just naturally brought them into The American Magazine, because numerous investigations by advertisers and independent organizations have shown that *The American leads all magazines* in its reading by *all members* of the family.

• • •

AS a woman's magazine alone, it usually ranks second or third. As a man's magazine, first or second. But in its combined reading by fathers, mothers and young people, it is overwhelmingly first.

If you want to reach, *at one advertising cost*, both mother and her group of consumers, you can do it through The American Magazine in 2,200,000 real American homes.

952 Families tell how they buy

From the most unusual marketing investigation ever undertaken, the significant fact was learned that *two or more* members of the average family dictate the selection of most of the merchandise the family buys.

For example, in 72% of the 952 families, two or more members influenced the purchase of a car. In 63% of the families, *two or more* members influenced the choice of canned goods. In 76% *two or more* members influenced the selection of tooth paste.

Therefore, it is obviously an economy for advertisers to use those publications which reach "two or more members" of the family. Impartial investigations conducted recently by five leading universities prove The American to be overwhelmingly *first in its combined reading by all the family.*

$305,476
ADDED TO
Net Profits
of Eight Companies

Of this group, the smallest saving realized amounted to $6,815.00. The greatest individual saving was $71,950.00.

These are typical of the results that many concerns have received through our cooperation. Unencumbered by any fixed plan or system to be installed, we are able to increase profits through open minded analysis of any business, and the application of simple corrective measures.

"Making a Profit"

—a booklet—explains the soundness of our methods in attacking such problems as you probably face. Copies will be gladly sent on request.

L. V. ESTES
INCORPORATED
INDUSTRIAL ENGINEERS
4753 Broadway
CHICAGO, ILLINOIS



the character of the outlets through which various commodities are handled.

The experimental censuses of distribution in a dozen cities scattered over the country made by the Census in 1925 was a step in the right direction. A nation-wide census of distribution might cost $1,000,000, but it would be worth all of that, and more.

The Department of Commerce was told by one firm, not so long ago, that one of its best selling lines was being handled at a loss, and this despite everything the firm could do. The company, after some consultation, had the business courage to act upon the facts as they were developed, dropping this line of goods from its catalog. The thousands of dollars of business involved were turned over to a competitor. And the company's books, that got rid of that business, have since then shown a decided increase in profits.

The country has many such firms that are endeavoring to obtain volume of sales without any relation to cost. Volume is an important factor, no doubt, if it is secured without an undue increase in the cost of operation. But where it involves an expansion of territory, there is often the chance that the cost is greater than the added profits. No one seems to know how many of our distributors are selling goods in territories where they are now losing money on every sale.

One firm that produces a certain line of textiles was interested in securing a wider distribution of its product. An analysis of that company's business showed that, in many cases, sales in outlying territories were at a very marked loss. In one case it was costing $1.25 for every dollar's worth of business secured in a southern state.

The field of market research is almost virgin. It is being rapidly cultivated, however, and in this, important parts are being taken by advertising agencies. They understand that sound advertising is one of the most powerful stimulants that may be given to a business. They realize also that for the advertising business to be sound, for it to deserve the confidence of clients, its service must be based upon an accurate appraisal of market outlets, not simply circulation.

Such facts as these can be ascertained only by thorough studies not merely of population figures, nor of "potential buying power" but of the actual cost of serving that particular market after a demand for particular merchandise has been aroused. That one factor in the cost of distribution may throw the whole campaign aside as being so much proposed waste effort.

Within the past twelve months the Bureau of Foreign and Domestic Commerce has launched a campaign in a vigorous and widespread effort in the domestic commerce field to develop its service to the American business man here at home. Here, as in other fields, no action will be taken that will smack of the "paternalistic." The value of private initiative and of collective self-help is fully appreciated.

Collaboration with industry is our plan, and with local organizations or bodies that are endeavoring to bring about improved conditions. Already there are 65 or 70 representative committees of industry in the United States with which the Bureau cooperates, a fact that well establishes the collaborative character of this work.

Smaller and Fewer Wastes

THESE facts all indicate that we are groping our way towards new and improved methods of distribution. It has been predicted in many quarters that the next decade will see important changes in these methods. Undoubtedly the margin between the cost of goods to the producer and the price to the consumer is excessive. In most cases there is no evidence that this spread arises from profiteering but rather from the wastes of our more or less haphazard distribution system.

A frontal attack is under way on this estimated $8,000,000,000 bill. Better knowledge of markets and better knowledge of selling costs represent the immediate objectives toward which this Bureau is aiming. Already much has been accomplished but the work has scarcely started. The results which it has obtained and will obtain should be of vital importance to every manufacturer, wholesaler and retailer in the country.

Seeking Weeds As Delicacy

WEEDS that find little favor in the eyes of Californians command fancy prices as table delicacies in New York and other eastern metropolitan markets. These weeds are the two common wild California mustards, the earliest blooming of the spring wild flowers.

In Santa Clara Valley, a packing concern learned of the demand for tasty greens in the almost barren eastern markets and tried the unusual. Italian and Oriental laborers were hired to pick mustard leaves and pack them in fancy cartons for eastern sale.

The mustards grow in abundance in the winter-fallow fields and orchards that must remain uncultivated during the rainy winter months. The first few warm days in January and February send the weeds upward with amazing rapidity. In late February, crews of pickers are sent out through the fields and collect there without cost leaves from the unwanted weeds.

The leaves are graded according to size, packed in oil-paper-lined, small boxes with cracked ice. These are then packed with other perishables in refrigerator cars for eastern shipment.

CRATING



Your Competition—
are you ahead of it?

CHANGING business conditions, plus keener competition for the consumers' dollar, make it imperative to again scan your costs that you may be level with or ahead of competition.

You are quite sure your production costs are right, your organization trained and on its toes, but—

how about your shipping room?

Are there leaks here that can be turned into profits? Are your crates rightly designed? Are they light, yet strong? How much lumber is wasted—how much time? Would box shooks or cut-to-size crating effect a worth while economy? Could you use part of your packing room space for more production?

These are important questions. They all have a bearing on your yearly profits or your opportunity to get ahead of competition.

The Weyerhaeuser man can answer them. Ask him. Apply his expert crating experience and knowledge of lumber to your shipping problems. Let him advise which is most advantageous for you to use—crating lumber, box shooks or cut-to-size crating.

WEYERHAEUSER CRATING LUMBER—STANDARD LENGTHS OR CUT TO SIZE



WEYERHAEUSER FOREST PRODUCTS
SAINT PAUL · MINNESOTA

Producers for industry of pattern and flask lumber, factory grades for remanufacturing, lumber for boxing and crating, structural timbers for industrial building. And each of these items in the species and type of wood best suited for the purpose. Also producers of Idaho Red Cedar poles for telephone and electric transmission lines.

Weyerhaeuser Forest Products are distributed through the established trade channels by the Weyerhaeuser Sales Company, Spokane, Washington, with branch offices at 806 Plymouth Bldg., Minneapolis; 208 So. La Salle St., Chicago; 2563 Franklin Ave., St. Paul; 1600 Arch St., Philadelphia; 285 Madison Ave., New York; P. O. Drawer 629, Port Newark, N. J.; 2401 First National Bank Bldg., Pittsburgh; 1313 Second National Bank Bldg., Toledo; 1418 R. A. Long Bldg., Kansas City.

Some Business Romances

By JAMES KELLY

NINE Karpen Brothers have made Karpen furniture well known in America. S. Karpen, the founder and president of S. Karpen & Bros., came to this country some 60 years ago with his father, a skilled cabinet maker. The son learned cabinet making from his father and later mastered the upholsterer's trade in a Chicago shop. In 1880 he established a business of his own, opening a small shop on Lake Street with the assistance of his brother, Oscar Karpen. Realizing the strength there would be in a company of nine brothers working together, joined by family tradition and common interests, he enlisted one after another until all were in the business. The business has grown until today four immense plants are required to meet the demand for Karpen furniture.

When Karpen Furniture made its appearance in American homes, there were plenty of Knox hats to throw on it. The Knox Hat Company, Incorporated, was founded in 1838 by Charles Knox, who was at that time less than 20 years old. He came to America from Londonderry, Ireland, as a boy of 12 and learned the hat business here as an apprentice to the famous hatters of those days, Leary and Company.

Hatter to Presidents

HIS first retail store at 110 Fulton Street was known as the "hole in the wall," because there was room in it for only one customer at a time. He sold hats there during the day, delivered them at night, and got up before dawn next morning to make more hats for his stock. Before his death he had the satisfaction of knowing that he had hatted all the Presidents since Lincoln's time, as well as other famous personages, such as Horace Greeley.

Le Page's liquid glue is made by the Russia Cement Company, but there really was a Le Page, who gave his name to the product. Back in the 1870's, when liquid glue from fish skins was first put on the market, William N. Le Page, of Canadian birth, and Reuben Brooks, a native of Massachusetts, formed a partnership for the manufacture and sale of the new adhesive.

They first made a cement for laying up leather belting, and, because Russia isinglass had been the previous standard for such cements, called their product Russia Belting Cement and adopted the firm name Russia Cement Company. When they decided to put out the glue in small packages for household use, they chose the name of the senior partner as a trade name for it.

At Newton, Iowa, a little prairie town which ten years ago could scarcely boast a population of 6,000, is located the largest washing machine factory in the world. Frederick L. Maytag founded the company 33 years ago in the back room of an old stove foundry. Associated with G. W. Parsons, an inventor, in the manufacture of self-feeders for threshing machines, a seasonal product, he looked around for another product to make the business active the year around. In 1907 was added a hand-power washer, in 1910 a power washer to be operated by a belt from an engine, and in 1911 an electric washer.

For Horses and Humans

PROBABLY Packer's Tar Soap is used in few Maytag electric washing machines, but it has been a favorite shampoo and hand soap since 1868 or 1869. Daniel F. Packer, a lover of horses, experimented with pine tar to make an ointment to cure a pet horse that had been injured. The ointment was good for the horse's skin. Why, Packer reasoned, should it not be good for human skin?

Packer made some soap and interested E. A. Olds, who was in charge of a department in the John H. Henry wholesale drug house in New York. Olds at first sold the soap as a side line, but soon decided to go in with Packer to establish a business. He spent the rest of his life in the industry. He bought out Daniel Packer's interest after several years, but Packer continued to have charge of the manufacture until his death in 1904.

The early history of Pond's extract, manufactured by the Pond's Extract Company, now affiliated with Lamont, Corliss & Company, has been lost in the three or four changes of ownership which have taken place in the last 80 years or more. Lamont, Corliss & Company, however, furnish information about Peter's Chocolate, a product of another of their companies, the Peter Cailler Kohler, Swiss Chocolates Company. Daniel Peter, a Swiss doctor, discovered the art of combining chocolate with milk in 1878.

He gave his name to the brand of milk chocolate advertised as "high as the Alps in quality."

In 1855 George Mortimer Pullman went to Chicago in a so-called sleeping

QUOTABLE QUOTES
of the Month

THERE IS A REAL PLACE in our economic system for cooperative organizations, but their permanent success rests upon a recognition of their limitations and the application of the sound principles which experience has demonstrated to be essential to success in industry.

SYDNEY ANDERSON,
President, Millers National Association.

THE TAX-GATHERING, tax-spending mechanism is so vast that the individual taxpayer is well nigh voiceless and powerless before it.

JAMES E. BOYLE,
Professor, Cornell University.

THE NEW ACTIVE force in American business life today is the trade association, and students of economics declare that we are now entering the Association Age of Business; that is, cooperation within the industry as compared with the individualistic competitive age which we are just passing through.

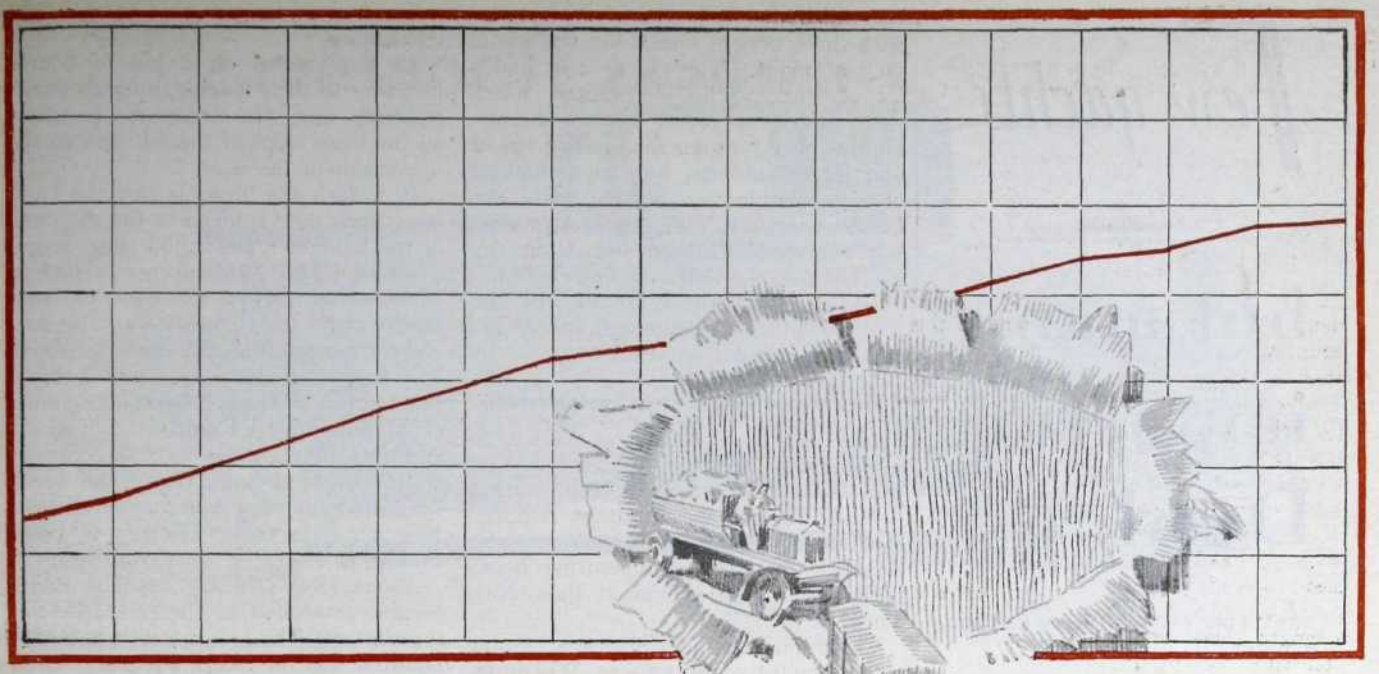
FRED RASMUSSEN,
Manager, National Ice Cream Association.

LEADERSHIP WITH US appears in a new field. It is no longer in government. It is in science and in business. Out of this spring two dangerous facts: our really great men are rarely in politics, while the demagogue and the blatherskite are, all the time.

DARWIN P. KINGSLEY,
President, New York Life Insurance Co.

THIS NATION CAN HAVE no aristocracy except an aristocracy of workmanship, of those who do things and do them well.

THE REV. DR. ROBERT NORWOOD,
St. Bartholomew's Church, New York.



What climbs over your trucks

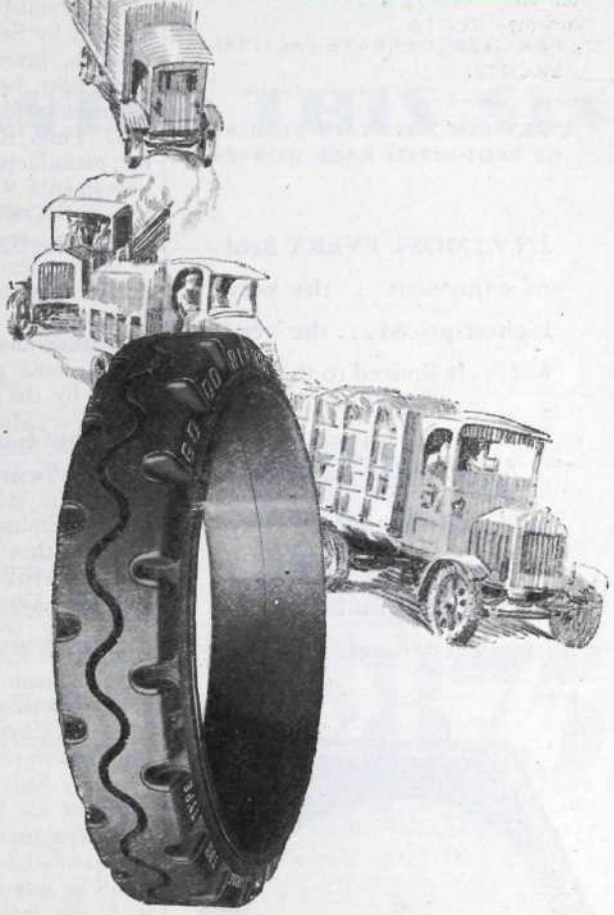
—*profit or overhead?*

A truck that must snail its way over rough going—a truck that can't grip its way through soft going—a truck that must stop for a change of tires—

—Any truck that makes more stops or fewer trips per day than it ought to make, cuts into your profits and piles on the overhead.

Many times, the remedy lies in the tires. The right type of tire, the right make of tire, for the job.

That's where the Goodrich man comes in. He has the right tire for every transportation need. Right in design—for mire or macadam. Right in construction. Right in cost.



THE B. F. GOODRICH RUBBER COMPANY *Est. 1870* Akron, Ohio
Pacific-Goodrich Rubber Co., Los Angeles, Calif.
In Canada: Canadian Goodrich Company, Kitchener, Ontario

Goodrich

FOR TRUCK TIRES

Solids and Heavy Duty Silvertowns, High Pressure or Balloon

When buying GOODRICH TRUCK TIRES *please mention Nation's Business to the dealer*

Few yachts



but many imported Dunlops

VERY FEW PEOPLE DRIVE ROLLS-ROYCES.

• • •

VERY FEW OPERATE PALATIAL YACHTS.

• • •

VERY FEW MAINTAIN STABLES OF PEDIGREED RACE-HORSES.

• • •

IN ALMOST EVERY field of enjoyment . . . the very highest-priced . . . the very *best* . . . is limited to the few.

There is only one exception . . . golf. Many, many thousand golfers play the very highest-priced golf-ball . . . the very best golf-ball . . . the imported black Dunlop.



THE $1 IMPORTED BLACK DUNLOP

car which was built like a canal packet with three tiers of bunks and was useful only at night. The young man had a lot of work to do in Chicago, which then was being raised from a swamp. He was busy for some time raising streets and large buildings, but kept thinking about a combination day and night car. On September 1, 1859, his first product —a remodeled Chicago and Alton day coach—took the rails. It was crude but ahead of anything else. In 1865 he presented his first all-Pullman-built car and caused a national sensation.

Makers of Guns and Typewriters

THE men to whom belongs the distinction of placing on the market the first practical typewriter were three brothers —Philo, Samuel and Eliphalet Remington, sons of Eliphalet Remington, who founded the gun manufacturing house of E. Remington & Sons at Ilion, New York, in 1816.

Christopher Latham Sholes, a printer and journalist of Milwaukee, Wisconsin, assisted by Samuel W. Soule and Carlos Glidden, invented the first commercial typewriter, beginning the work in a little machine shop in 1867. On March 1, 1867, Philo Remington took a contract for manufacture of the machine. Improvements were made in the Remington works, and early in 1874 the first machines were put on the market.

Typewriters have been improved in many ways since the days of the first Remington. Fountain pens, too, have undergone many changes. One of the more recent pens is the Sheaffer, produced by the W. A. Sheaffer Pen Company, Fort Madison, Iowa. Fifteen years ago W. A. Sheaffer, a prosperous jeweler, organized a fountain pen company. Recently the stockholders met to change their capitalization from 9,734 shares to 20 times that number.

At a recent test given at the School of Business Administration at New York University, trade names were listed according to their familiarity to the public. The name of the Singer Sewing Machine was second on the list. Yet Isaac Merritt Singer, the inventor of the first practical working sewing machine, is surprisingly little known.

Singer was the son of a millwright and himself a machinist. At the age of 27 he patented an excavating machine, and at 38 he was well on the way to success with the invention of a wood-carving apparatus when fire destroyed his workshop in New York City and left him without funds to continue.

He went to Boston then and became interested in the possibilities of the sewing machine. On borrowed capital of $40 he set to work and after 11 days, in which he ate only once a day and slept little, assembled the machine. It would not work.

Late into the night Singer and the friend who had lent him the $40 worked on the machine. At midnight they left the shop utterly discouraged, with actual want staring them in the face. Worn out as he was, Singer could not get tight stitches.

As they rested on a pile of boards half way to their lodging, Singer's friend suddenly said, "It strikes me peculiar; all the loose loops of thread were on the upper side of the cloth."

In a flash the inventor saw the trouble. Back they trudged to the shop and in the light of a smoky oil lamp Singer adjusted a little tension screw. His machine sewed perfect stitches. On that sultry night in August, 1850, the first Singer sewing machine was perfected. The firm of I. M. Singer was incorporated in 1853. Later it became the Singer Manufacturing Company, which today has 10 factories in five countries and branches in every city in the world. The inventor was born in Pittstown, New York, in 1811. He died in Paris, France, in 1875.

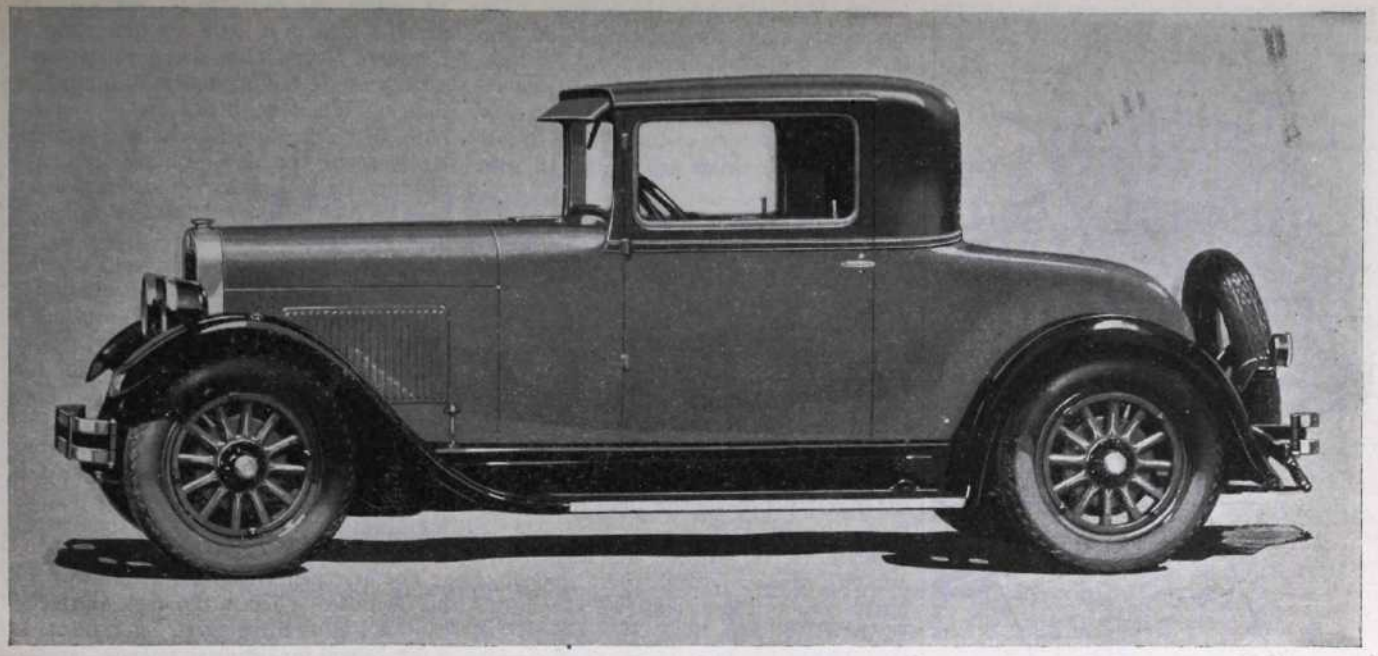
About 1889 Lyman Cornelius Smith became interested in the production of typewriters. The first machine he manufactured was the Smith Premier. Later he became vice-president of the Union Typewriter Company, a consolidation of several typewriter concerns. He conceived the idea of a writing-in-sight machine about this time and in face of much opposition organized the L. C. Smith & Bros. Typewriter Company, which in 1903 made the first L. C. Smith writing-in-sight typewriter. The ball-bearing principle was introduced later. L. C. Smith died at Syracuse, New York, in 1919.

Ball Player Turns Manufacturer

PROBABLY everyone who takes part in athletic contests or watches them from the stands knows something about A. G. Spalding & Bros. A fact less widely known is that A. G. Spalding in 1876 was as well known as a professional ball player as Babe Ruth is today. He was the acknowledged best pitcher of his time. With his brother who was a bank clerk in Rockford, Illinois, he opened a little store on Randolph Street in Chicago. The company soon acquired factories and began to make baseball goods first, then all the other kinds of sporting goods. The total sales have risen from $11,000 in 1876 to about $25,000,000 in 1927.

The house of E. R. Squibb & Sons was founded in 1858 by Dr. Edward Robinson Squibb. Two years after his graduation from Jefferson Medical College, Philadelphia, in 1845, Doctor Squibb joined the United States Navy. During 12 years of active service he was impressed with the necessity for improving the quality of the medicinal products furnished. He not only urged that quality be given preference over price, but produced trustworthy chemicals and pharmaceuticals for medicinal use.

Upon invitation of the Government, he established a laboratory at the Brooklyn Navy Yard, equipping it largely with apparatus of his own invention and manufacture. Here he perfected in 1853 stills for making ether and for manufac-



BUSINESS MEN WANTED THIS SIX

Commercial travelers and other business men who drive, have welcomed Dodge Brothers Standard Six with enthusiasm.

For the *fastest and finest performer under a thousand dollars* is exactly the car to meet their needs.

A six-cylinder motor—Dodge-designed and Dodge-built—providing more horsepower per pound than any other car in the world!

Comfort that keeps you fresh all day long—the result of skillfully engineered interior dimensions, extra long springbase and exceptional driving ease.

Built to perform dependably like all Dodge Brothers products—and with operating economy nothing less than sensational for a six so powerful.

A car that is certain to become standard equipment for the representatives of many firms.

STANDARD DB SIX

$875

COUPE F.O.B. DETROIT

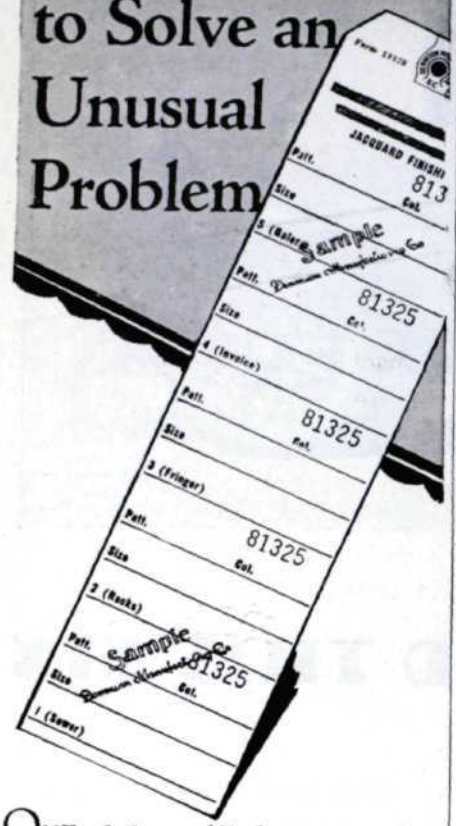
Dodge Brothers authorized service everywhere

DODGE BROTHERS STANDARD SIX

ALSO THE VICTORY SIX $1045 TO $1170 AND THE SENIOR SIX $1570 TO $1770

When buying a DODGE *please mention Nation's Business to the dealer*

A System Tag to Solve an Unusual Problem



ONE of the world's largest manufacturers of rugs and carpets uses Dennison Tags to simplify a complicated situation in payroll calculation.

Five of the operations in the production of a rug are piecework jobs. But the rate per piece varies with the size and pattern of rug which happens to be in process. Obviously the older and simpler plans of piecework checks are impracticable here.

So this manufacturer uses a Dennison System Tag attached to each rug going through the plant. Each piecework operator detaches his own coupon, noting on it the size, pattern and color of rug. At night he compiles his record of work done from his coupons and forwards it to the department where pay is computed.

This is only one of a great variety of tags designed by Dennison in consultation with plant engineers. Others include stock and inventory tags, production-schedule tags, special instruction tags, inspection tags, defective material tags and tags for a multitude of highly specialized uses.

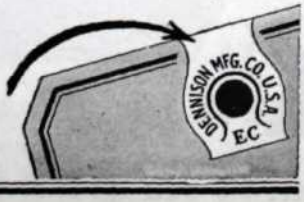
The system tag has one great advantage over any other kind of printed form—it accompanies your product through the plant, either attached to the goods in process or hung on a hook near the machine during each step. Dennison tags come through where ordinary paper records would be lost, wrinkled or torn.

How many paper forms are being used in your business for jobs which tags could do better? It will cost you nothing—not even trouble—to see some of the other tags we have designed. Your card or letterhead, pinned to this advertisement, will bring samples to your desk.

Dennison's

Dept. 74-S FRAMINGHAM, MASS.

The New Dennison Patch



turing and purifying chloroform. The laboratory was enlarged by act of Congress as the work developed. In 1858, however, Dr. Squibb acceded to the requests of prominent medical men and set up a laboratory of his own in Brooklyn. Squibb's drugs are known all over the world today.

John B. Stetson, 1830–1906, originator of the "five-gallon hat," was the son of a manufacturing hatter, Stephen Stetson, who lived in New Jersey. Young John B. learned to make hats in his father's shop and worked there until doctors told him he had consumption. Not ready to die, he struck out for the Far West, which was in those days Illinois. Here he made bricks in a yard on the banks of the Missouri River. But the river became unruly one spring and ruined his brickyard.

Penniless, he worked his way to St. Joseph, Missouri, and there joined a party bound across country 750 miles to Pike's Peak. His baggage consisted of the clothes he wore, a shotgun, and a hatchet. The party walked. The trip was hard, but it cured him entirely of consumption.

Beginning of the $5 Hat

ONE day someone in the band complained of the lack of cloth for shelter tents. Stetson said he could make cloth out of fur, but the others scoffed. To prove his case, he made a bow of hickory with a leather string and with it "felted" enough cloth for a tent. Later on the trip he fashioned a sombrero of felt. His companions laughed at the hat—they went bareheaded—but a wandering bull-whacker willingly paid five dollars for it.

After regaining his health Stetson went back East to Philadelphia and began to make hats. He bought fur in small bundles which were delivered weekly by a strapping Irishman. From the fur he fashioned hats to peddle among retail dealers. Since two dollars was top price for a hat, he made very little money.

One week he had no money to pay the Irishman. He was almost in despair when the Irishman came in with the fur. But the Irishman flung the bale of pelts on the floor and said, "The ould man says ye needn't moind sinding the money for a week or so. Jist suit yerself."

From that time Stetson was a firm believer in Providence. A few days later he chanced to remember the bull-whacker on the plains who had paid him five dollars for a very crude kind of hat. Right then the idea of the famous "sombrero with a college education," "The Boss of the Plains," was born. He borrowed all the money he could, made a lot of samples, and sent them to western dealers. In a few days orders began to pour in. The big hat made him. The first Stetson hat, that crude sombrero sold to the bull-whacker, was made in the early "sixties." Stetson lived to see his business grow to one of the largest in the world.

The inventor of the *Victrola*, the talking machine that has given its name to all makes, was Eldridge R. Johnson. He got the idea in a little machine shop in Camden, New Jersey, where he repaired a very crude talking machine for a customer. When he heard the first clear notes of "Telegraph My Baby," a popular song of the day, coming from the machine he had constructed, he realized that he had completed the first lap of a long journey.

In 1883 L. E. Waterman used a leaky pen in signing an application blank for life insurance. The blotted blank caused the prospect to defer signing and finally resulted in the loss to Waterman of the proposed insurance. To avoid future occurrences of a similar character, L. E. Waterman decided to make a pen that would not blot. The decision was followed by success, and Waterman's Ideal Fountain Pen made entry in the Patent Office in 1884.

The first pen Waterman made was for his own use. Then in the back of a little shop in Fulton Street, New York, he made a few others for intimate friends. In the first year he made, with the help of a few assistants and practically no machinery, a total of 200 fountain pens—a number insufficient to supply one each to the employees of the Waterman New York office 40 years later.

The founder of Stephen F. Whitman & Son, Inc., makers of chocolates and confections in the United States since 1842, was Stephen F. Whitman. His son, Horace F. Whitman, incorporated the business, and upon his death the Whitman interests were purchased by the present management. An old foreman who worked for Stephen F. Whitman is still in the plant.

Founded on Advertising

PERHAPS William Wrigley, Jr., is too much of a youngster to be included in this account of founders of old businesses, yet the career of this man, who is one of the biggest and most successful advertisers in the world, is interesting. His business career began 45 years ago when as a boy of 13 he went "on the road" to sell scouring soap to dealers in Pennsylvania, New York, and the New England States. Seventeen years later he went to Chicago with an accumulated capital of $32 and founded a business that now has an annual turnover of $30,000,000. He has set more jaws wagging than Webster's dictionary.

To close this alphabetical list of 38 well known businesses, the Yale Lock seems to fit perfectly. Linus Yale, senior, started as a lock maker about 1840 and soon after built in Newport, New York, the substantial stone building, still standing, which ever since has been known locally as the "Yale Lock Shop." In the same year he brought out a "Yale Bank Lock," the first of a long line of locks destined to bear the trade name Yale. After his death in 1857, the manufacture of Yale Locks at Newport was continued by his successors, whose interests were transferred ultimately to the Yale and Towne Manufacturing Company.

Zinc Pigment* Paints *for* Efficiency

DO you select paints for their efficiency as you select machinery? Few executives do. The savings to be made through the use of the most suitable paints are not commonly understood.

Conditions peculiar to manufacturing plants can best be met by applying paints made particularly for the purpose. Scientific tests and thousands of actual applications have enabled paint manufacturers to determine the best materials and their most effective combination.

Why not take advantage of the experience of paint manufacturers which has led them to use *substantial proportions of zinc pigments** in industrial paints?

Your general plant maintenance can be reduced through knowledge of zinc pigments* and their relation to paint performance. There are definite reasons why zinc pigments are used for painting generally—plants and homes—outside and inside—in larger quantities than any other of the opaque white pigments available.

The coupon will bring full information about zinc pigments.

Give a thought to Zinc Pigments when you think of Paint

★ Nationally used zinc pigments are The New Jersey Zinc Company's "XX" Zinc Oxide and "Albalith" Lithopone. Lithopone is a chemical precipitate of ZINC Sulphide and Barium Sulphate. It is one of the whitest pigments known, and of extremely fine particle size.

New Jersey Zinc

The New Jersey Zinc Company

Since 1848 Manufacturers of Pigments of Quality for Manufacturers of Quality Paints

160 FRONT STREET, NEW YORK CITY

- - - - - - - - - - -[COUPON]- - - - - - - - - - -

Please send me full information about the value of ZINC PIGMENTS IN PAINT

Name..... Position.....

Company..... Address.....

N. B. 5-28

- -

An open letter to

Mr. H. S. Firestone

WHEN you visit Asheville to rest or to play, the traditional hospitality of the South sees to it that you are never disturbed with matters of business.

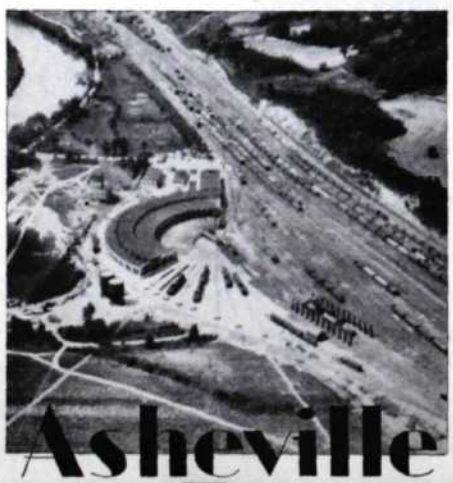
That's why, Mr. Firestone, we are taking this means to tell you of the industrial opportunities that are waiting for you in Asheville. The mile-high mountain ranges and peaceful valleys of the "Land of the Sky" are stored with fabulous wealth in raw materials. Nearby are the cotton fields and the great textile manufacturing region of the Piedmont Carolinas. Mountain streams have been harnessed into mighty engines of power without dimming their attractions to the tourist. Thousands of Anglo-Saxon families, alert, willing, intelligent, await the call of industry.

Not far away, the gateway ports of the Southeast are open to the markets of the world. Trunk rail lines penetrate to the Atlantic seaboard, the populous centers of the East and South and the great markets of the Mississippi Valley and the Middle West. Asheville's distribution facilities are unequalled in the Southeast and favorable commodity rates open up a territory in which sixty million people live.

Labor; climate; pure, soft water; cheap power; manufacturing sites on rivers and rail lines; state-paved highways; low tax rates; low living costs; unexcelled transportation and distribution facilities; a billion dollar market, ready made and waiting for industry ··· surely, Mr. Firestone, these basic factors deserve your earnest consideration. Will you not allow our industrial engineer to send you an unbiased, detailed statement of the facts about the Asheville Industrial District?

President
CHAMBER OF COMMERCE

More than one million cars of freight are handled each year in the Asheville yards.



Asheville
North Carolina

When writing please mention Nation's Business

Stabilizing Aviation

(*Continued from page* 36)

$1.00 to $1.50 for multi-engined "ships." I think the tendency has been to underestimate the cost in many instances.

A generous willingness to help American aviation make a convincing record, make "history" that would redound to its credit, shines brightly in the establishment of the Guggenheim fund of $2,500,000. The statement of Harry F. Guggenheim explaining the purpose of this foundation is an intelligent appraisal of the strength and the weakness of commercial flying in America.

When announcing the proposal to extend credit for passenger-carrying equipment to established air mail lines and of demonstrated success, he declared: "We will do it on precisely the same basis on which banks operate in loaning railways money with which to buy rolling stock." Provision is made for writing off these loans within two or three years, for "airplanes have a high rate of obsolescence. There is no reason why a plane need wear out in two years, but my guess is that the best passenger plane manufactured today will be obsolete two years from now."

Default is a problem in itself. It is not without consideration in the matter of these equipment loans. While it is very difficult in practice to seize railway equipment in case of default and to recover it by transfer to another road, as Mr. Guggenheim points out, "if an airplane does not pay on one route it is very simple, indeed, for us to take it over and transfer it to an air route of proved popularity or established management."

Building Dealer System

SELLING technique has lagged behind the mechanical improvements. For it is clear that the industry has been more interested in refining its products than it has in devising methods to convert public curiosity into profitable demand. One company has attacked the problem with vigorous initiative. It has kept pace with the faster tempo of the times with its flying salesmen. It has dealers and sub-dealers who have ready access to "demonstrator" planes. Dealer helps are provided in national advertising, in displays of model planes, in a house organ, in timely publications for handout to prospects, in weekly bulletins and in informative circulars. This selling support is supplemented by the company's cooperation with chambers of commerce and with high schools in developing community "air-mindedness." Pilots in good standing may buy planes for 30 per cent and pay the balance out of earnings.

Planes have not yet got into the "flivver" price brackets. While a good deal is said about the "humming-bird" size of craft, the fact remains that most prices are now scaled to group or corporate ownership and operation. The "Model T" of the air is still a figment of ambitious fancy. But the automobile began as a rich man's toy.

Design is in a wholesome state of flux. Improvements crowd on one another. Engineering thought advances rapidly. Engine types are closer to stabilization, but military types of planes are usually developed without regard to expense. This active ferment produces more efficient mechanisms, but it also keeps costs high. Standardization will come, and with it the interchangeability of parts, and lower overhead production.

Flying Finding Wider Use

REPLIES to inquiries made by the Chamber of Commerce of the United States show that air transportation is used by merchants, manufacturers, bankers and professional men to expedite the delivery of documents and merchandise in considerable variety. Among the articles frequently transported are: Advertising copy, automobile parts, bank drafts, bills of lading, motion picture films, contracts and deeds, dentists' supplies, drawings, specifications and blue prints, dress goods, millinery, coats and suits, jewelry, flowers, and stocks and bonds. A good many other commodities have been sent by plane in emergencies, but asbestos suits to fight a gas well fire, or food and medicines to relieve a stricken community can hardly be regarded as normal traffic.

The total quantity of air mail carried last year was 1,449,364 pounds, according to a Department of Commerce report issued March 15. As the figures for two of the busiest routes were only available for six months, the total was probably near 2,000,000 pounds.

During the first six months of 1927, operators of planes flying over regular mail routes carried 1,045,222 pounds of express, and 1,891 passengers. The average passenger mile rate is about 13 cents. Short flights were made by 385,000 passengers in planes of other operators.

Beginning September 1, 1927, operations on a national scale were established on five routes under contracts between air mail contractors and the American Railway Express Company. This arrangement marks the advent of an actual air express system. The-average pound-mile rate is $0.0015. The three Ford express routes carry only Ford goods.

The younger generation gives the true sign of these flying times. Boys everywhere are interested in aviation. They are playing with models and whetting desire to own a man-size ship. Another generation—or it may be two—and the old-fashioned "flaming youth" who rocketed over a ribbon of road in a collegiate speedster will be a back number. The world will make room for flying youth on a lark with the family plane. It is America's manifest destiny to become "air-minded." The uncommon carrier of our day will be the common carrier of our industrial tomorrow.



Don't Fight Modern Business Battles With Stone-age Business Weapons

INSTALMENT Merchandising has worked wonders for those industries that have utilized it soundly.

It has become a vital factor in the competition of one industry with another for its proportionate share of the consumer's dollar.

Our plans extend into every field to which the deferred payment principle is adaptable. If your business comes within that range we offer you a volume-building service proven sure and safe by many years of use.

COMMERCIAL CREDIT COMPANIES

Commercial Bankers

Cash Capital and Surplus $29,000,000

COMMERCIAL CREDIT CORPORATION . . . . . NEW YORK
COMMERCIAL CREDIT TRUST . . . . . CHICAGO
COMMERCIAL CREDIT COMPANY, INC. . . . . NEW ORLEANS
COMMERCIAL CREDIT COMPANY . . . . . SAN FRANCISCO

NATIONAL HEADQUARTERS . . . BALTIMORE

To banker, manufacturer and merchant

INSTALMENT merchandising has been undergoing tests for more than fifteen years. Its field of sound application is therefore well established by experience.

Every true utility of high unit value comes within its scope—machinery of all kinds, plant equipment in general, refrigerating devices, heating plants, power plants, electrical appliances, automobiles, store and office fixtures—more than a score of such broad classifications comprise its present field. Thousands of individual products fall within it. Economists have rightfully insisted that it prove the soundness of its basic principle. It has. Authoritative opinion no longer questions that.

Commercial Credit deferred payment plans cover every suitable field of instalment marketing. As financier, buyer or seller you quite certainly operate either directly or indirectly within their range of usefulness. If a banker, you have depositors whose cash or merchandising problems, one or both, can best be solved by their adoption. If a manufacturer, you may need our service in your buying if not in your selling. Whether or not your product comes within its scope, your own machinery, plant equipment, and many of your office fixtures unquestionably do. Somewhere along the line we can almost surely be of service to you. If a merchant whose goods are of high unit value and therefore probably of instalment calibre, Commercial Credit's Plan is probably the best matured and soundest you can use. And you may also find that we can help to solve your buying problems.

Wherever the deferred payment principle seems to fit directly or indirectly into your scheme of things we want to talk to you. Our service is nation-wide and extends into foreign fields as well. Our plans and policies have been matured through sixteen years of close and successful application to the business. Our resources are vast.

We will gladly send a representative to see you in person—at any point within the United States or Canada.

Whatever you are . . . Whatever you make, sell, or buy . . . Investigate Commercial Credit Service

Your letters are your own personal representatives



When you send out letters, you really go calling by proxy. Each letter must get comparatively as much consideration, make as fine an impression, as *you* would in person.

Is your stationery up to the task? Is the letterhead dignified, compelling? Equally important—is the paper crisp, distinctive?

Crane's Bond is made for people whose letters *must* register "importance." Made from 100% new white rags, it has a look and feel of quality.

Ask your engraver for samples of Crane's Bond. See for yourself how well this fine paper will lend impressiveness to your most important messages . . . .

Crane's Bond

CRANE & CO., INC · DALTON, MASSACHUSETTS

When writing to CRANE & CO., INC., *please mention Nation's Business*

On the Congressional Docket

(*Continued from page* 56)

Board policies and operation stands small chance of enactment this year. Extensive hearings, however, have been conducted in both Houses. Also no action is expected this year on the Norbeck bill to tax national banks; nor the Federal "blue-sky" securities bill.

Grain and Cotton Exchanges

Further regulation of future trading on cotton exchanges continues to gather support. Legislation, however, probably will be put off to another year.

A similar prospect applies to the Capper bill to curb trading in grain futures. There is considerable support in Congress for these two proposals but the difficulty of agreeing on a workable law is a detering factor.

Muscle Shoals

The Senate has passed the Norris resolution for completion by the Government of the Muscle Shoals dam and power plant and experimentation in making fertilizer. Its passage is regarded as a distinct victory for Government ownership advocates. The House Committee amended the Norris measure and reported a new bill to set up a Government corporation to operate the Muscle Shoals plant. This bill if passed by the House would have to go to a conference committee. President Coolidge has expressed his antipathy to Government operation plans for Muscle Shoals.

Boulder Dam

The Swing-Johnson bill for the Colorado River project modified as to power priorities has been reported to the House and Senate. A special rule has been requested for its consideration in the House. It is meeting stiff opposition in both bodies under the leadership of Senator Ashurst and Representative Douglas, of Arizona. Senator Ashurst has served notice that he will prevent passage of the bill to the extent that parliamentary strategy can effect that end. Probably we shall see a spirited filibuster such as marked the close of the last Congress.

The Naval Program

The House has passed a bill authorizing construction of 15 cruisers and one aircraft carrier at a cost of $274,000,000. The cost would be spread over a number of years. An amendment was added in the House which requires that 8 of the 15 cruisers be built in Government navy yards. It is the general opinion that the Senate will approve the House bill.

Public Health

The Parker bill for coordination of federal public health activities has passed the House and has been approved by the Senate Committee on Commerce. Sen-

ator Jones is sponsoring the bill in the Senate.

Federal Injunctions

Nation-wide attention has been drawn to the Shipstead-LaGuardia anti-injunction bills backed by organized labor. It is rather surprising, however, that little publicity has been given to the Norris bill, recently reported from the Judiciary Committee to the Senate without hearings being held, which by removing a large group of cases from the jurisdiction of federal district courts would accomplish a good part of the results contemplated by the Shipstead bill. In addition to taking from the federal courts jurisdiction of the usual labor injunction cases, the bill would also deprive utility corporations from the right to resort to the federal courts in appealing from the decisions of state regulatory bodies.

Lobby Registration

The Caraway bill to require registration of lobbyists, recently passed by the Senate, has been the subject of enlightening hearings before the House Committee on Judiciary. For the first time in several years Congress is taking official notice of the numerous group organizations and special agents engaged in promoting legislation. The outlook for passage of the Caraway bill in its present form is hardly expected, but the interest shown in the bill points to a new conception of the role played by citizens associations and paid lobbyists in connection with the work of Congress.

Some Familiar Perennials

Each year Congress struggles with a list of bills sponsored by militant minorities. Now and then one of them gets through the mill. Mostly, however, they simmer in committees or die a natural death on the calendar. Among the list of bills destined for no final action in this session we would place the following.

The Capper-Kelly price maintenance bill.

Measure for regulation of western grazing.

Shipstead anti-injunction bill.

Wyant proposal for a division of public works in the Department of the Interior.

Long-and-short-haul railway rate bill.

Pullman surcharge bill.

New tariff legislation.

Federal regulation of coal industry.

Uniform ocean bills of lading.

Watson-Browne bill to apply French debt payments to road building fund.

Deportation of aliens convicted of crime.

Creation of a federal department of education.

Bill to curtail the sale of Government stamped envelopes.

Adjournment

There is a good deal of talk to the effect that Congress will close shop by the middle of May. Our guess is that it will be nearer the first of June.



We can help you prevent accidents

IN the United States 25,000 people were killed in automobile accidents last year... and yet accidents do not "happen" ... they are caused.

The American Mutual has studied thousands of cases ... we found that 90% of these accidents could be avoided ... our engineers have developed a few simple rules to help automobile drivers ... these are contained in "The Man at the Wheel" ... a booklet which we shall be glad to send you ... just fill out and mail the coupon below.

Workmen's Compensation — Automobile Insurance

AMERICAN MUTUAL

Send this coupon for "The Man at the Wheel"

Please send me your booklet containing information about the operation and maintenance of pleasure and commercial cars.

Make of car_____ Year_____ Model or Type_____

Number of pleasure cars_____ of trucks_____

My insurance expires_____

Name_____ Address_____

To the American Mutual Liability Insurance Company
142 Berkeley Street, Boston

When writing to the American Mutual Liability Insurance Co. *please mention Nation's Business*

How Roxana cut figure work costs



Central Comptometer Bureau, Roxana Petroleum Corporation, St. Louis, Missouri

ABOUT a year ago the question of centralizing all figure work of the several originating departments in a standardized machine battery was up for decision by Mr. Walter F. Jones, General Auditor of the Roxana Petroleum Corporation at St. Louis.

After a careful study of the proposition, the conclusions reached by Mr. Jones were:

"The plan is sound and not difficult of execution, but to make it economically successful I must have:

First, a machine capable of high-speed on every form of figure work.

Second, a reliable source of supply for trained clerks able to use it at high-speed.

Third, and last, but not least, a local distributor who can give me both when I need them."

Finally the Comptometer was adopted for the work—provisionally.

That is, it must make good in performance—measured by a carefully kept record of production.

At the end of the year the figures showed a clear saving of better than $7500—nearly double the cost of the installation.

Let us tell you, either by mail or through a representative, more about the Comptometer way of organizing, routing and handling figure work for greater production at less cost.

It pays to investigate.

FELT & TARRANT MFG. CO.
1712 N. Paulina St., CHICAGO

CONTROLLED-KEY
Comptometer
REG. TRADE MARK
ADDING AND CALCULATING MACHINE
If not made by Felt & Tarrant it's not a Comptometer
Only the Comptometer has the Controlled-key safeguard

McCarl—Professional Tightwad

(*Continued from page* 29)

Commanding. "Are you an officer of the Army or not? I order you to pay it."

He does pay it. Our country's history is full of records, but there is no record of a disbursing captain telling a contracting general where to head in. Not one. Suppose that the appropriation act provided for the purchase of 50 trucks and that the General Commanding had decided that in the interest of efficiency he would ride to the bridge in a Cadillac each morning and that he would therefore buy only 49 trucks and one touring car. Would you, if you were a captain and disbursing officer, refuse to O. K. your general's bill for that helpful car?

Let us not kid ourselves about these things. You would not and I would not. But McCarl finds that car hidden in the vouchers. By the time it gets to him the disbursing officer is serving in the Philippines and the contracting officer is in Turkey and the General Commanding has been retired for age and flat feet. McCarl cannot abate his demands. He has no option.

"I want that money put back," says he.

Special Acts to Settle Accounts

IN the end Congress is asked to pass and does pass a special bill, relieving the disbursing officer from all liability. No one thinks he should suffer. He has broken the law under an irresistible compulsion. If he had to pay for the General's worn-out Cadillac his wife would have to sell her wrist watch. But the asininity of the procedure is manifest.

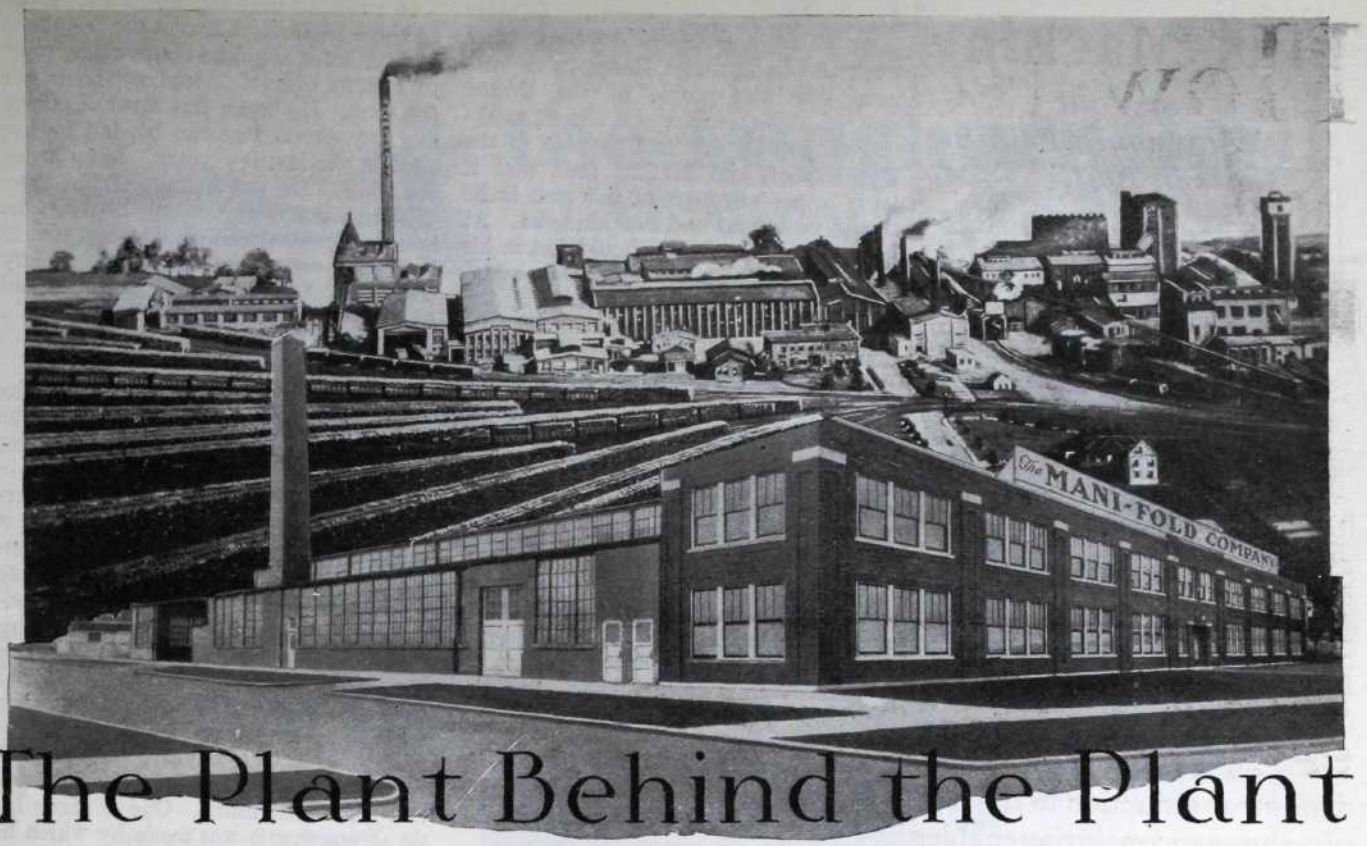
Congress has been overruled by a handful of subordinates.

When Congress relieves those subordinates of responsibility for their disobedience Congress is in effect abdicating its power of control over the spending of the people's money.

Before Congress has passed that special bill the officers have fought McCarl's claim through the courts. One of the first steps is to get a contrary opinion from the Attorney General, who usually seems glad to give one. The opinion of the Attorney General has precisely the same effect on McCarl that the whistling of "O Sole Mio" by a small shepherd boy in the Appenines would have on the Mayor of San Francisco.

The Attorney General is merely an advisory officer of the Government. No one is bound by what he says. He is not even bound himself, for now and then he goes into reverse. But he has a headlock on McCarl in one way. If he is called on to prosecute in court a case in which he has already ruled against the Comptroller General—well, he just doesn't. That's all. Therefore, McCarl has asked permission of Congress to send his own lawyers into court when the Attorney General goes fishing.

It is, you see, rather an important matter. Last year McCarl collected debts



The Plant Behind the Plant

HAMMERMILL BACKS UP MANI-FOLD

WHEN in the April 21st issue of *The Saturday Evening Post* in an attractive four-color advertisement you read:

> "****One paper has always been associated with printed forms. That is Hammermill Bond.
> The surface of Hammermill Bond invites use. Pen or pencil glides smoothly over it; typewriter and printing press register cleanly and clearly. Carbons are always neat and legible. You like to work with it!"

—you read the basic reason why Hammermill Bond is the standard paper for Mani-Fold Forms.

Science and experience point to the wisdom of this decision. Backing up the most modern wet-offset, dry-offset and printing plant of the Mani-Fold Company is the mammoth Hammermill Paper Company mills at Erie, Penna.

Write for descriptive literature as to why Mani-Fold uses HAMMERMILL BOND, and copy of *free* brochure "ADVANTAGES"

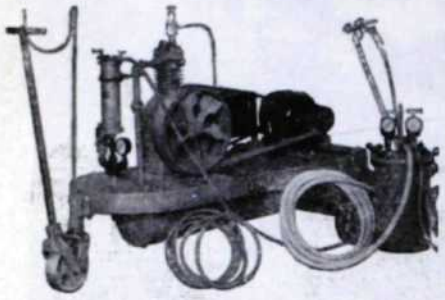
HAMMERMILL
CONTINUOUS MANI-FOLD FORMS

Write your name and address in margin below and mail to

The Mani-Fold Company
Division United Autographic Register Company,
13334 Coit Road, Cleveland, Ohio

This Machine

Will Cut Your Maintenance Painting Costs in Half!



Spray-Paint Factory Buildings, Hotels, Institutions

Save Up to 80%!

This great reduction in the cost of maintenance painting enables property owners to paint frequently. Industrials and institutions everywhere own a Binks Portable Spray-Painting Outfit. No experience required. Any man can cover 1,000 sq. ft. or more per hour.

BINKS

Portable Spray-Painting Machines

Vary in Price from $115 to $415

Several models have been developed especially for maintenance work. With any of these you can spray-paint exteriors, brighten up interiors, improve working conditions and protect property investment at a low cost. Connect up with a light socket and refinish your plant, your equipment, furniture, trucks;—anything that will take a coat of any light or heavy paint, varnish or lacquer. The work is done in a jiffy and your savings have more than paid for the outfit.

A new low price outfit is designed for refinishing equipment, furniture, and for minor maintenance work. This is of particular value to hospitals, schools, hotels, home owners, etc.

Order a "Binks" on trial or write for detailed information.

Binks Spray Equipment Co.

Dept. E., 3128 Carroll Ave., Chicago

BRANCH OFFICES

New York	Detroit	San Francisco
56 Warren St.	4456 Cass Ave.	371 Fifth St.

Representatives in Principal Cities

due the Government amounting to more than $7,000,000, which is about twice what the Comptroller General's department cost the people of the United States. But there are still almost $300,000,000 in bills due and payable to the Government, and McCarl feels that if he is to get any part of this sum in he should be helped and not hindered. At least that is the way I should feel in his place. Those wishing to know what McCarl thinks of the aid given him by the Attorney General's department are recommended to read his annual reports. Language is never so bland as in an annual report.

Congress had long realized the faults of the system whereby each department audited its own bills and in 1921 set up the new establishment. Perhaps it remembered an historic occasion whereon Theodore Roosevelt, then President, sought authority to spend some money. His Comptroller General refused.



"Your plan is against The Law, Mr. President. I cannot change the law."

"Neither can I," said Mr. Roosevelt. "But, by jingo, I can change my Comptroller General."

Now Free of Control

WELL, what will you have? He was not compelled to change his Comptroller General. Therefore, in 1921, Congress provided that this official shall hereafter be absolutely free of control by anyone and gave him a fifteen-year term so that he might be easy in his mind. So far so good. But Congress has not even yet taken the departments by the scruffs of their necks and compelled them to obey the plain intent of the law. For that matter, Congress has not yet set up such a committee on accounts as is a part of the parliamentary structure of both Great Britain and Canada, the duty of which would be to consider its degree of control over public money. There are 1,000 disbursing officers in the various departments, every one of whom is under at least the partial control of a superior who has something to do with the spending of the money.

"The number could be cut to fifty," says McCarl. "The work would be done better if all bills were audited by this independent agency. Taxes could be cut. The business man who deals with the Government would have no trouble if his contract were pre-audited."

I say, "he says." But as I have explained before, he gives no interviews. He rarely goes into society. If he goes out for an evening his pleasure may be gummed up. About the time the Comptroller General has reached for the second tongue sandwich a sad man will step to his side.

"I want to talk to you about that bill of mine," he says in a fairly low and regulated tone. Then he accelerates. "You think you are right, McCarl, but see here——"

It ruins an evening, that's all. Even at home he rarely answers the telephone because some anguished bursar may want to scream over it. Anyhow, he hasn't the time. He began this form of official life rosy cheeked as can be, but he has aged in the last few years. Lines in his face now. He works most of the time. When he is not at work in his office he is in conference with some committee of Congress, explaining his quaint theory that when a law is on the books it should be either obeyed or changed.

Money Limited by Law

"MY job," he says, within the limits noted above, "is to see that the Government gets what it needs. Not what it wants."

What it needs is determined by Congress. What it wants is fixed by the executive departments. Not long ago a talented man of business was called from Chicago to help the Government out on a particular job. The rate of pay fixed by Congress for the job he took was $2,000 a year, but he was actually worth in the open market several times that much. One of those little arrangements was made by which he drew an extra four dollars a day for expenses. This went on for months.

Then McCarl found out about it and demanded that he put it back.

Those responsible said he was doing the young man a heinous wrong. He was worth more money than the Government paid him, including expense account and all.

They did not know what they would do without him. It was a shame.

"The Law," replied McCarl. "The Law. Congress gave a $2,000 salary to that job. No more.

"Congress may be wrong. But you cannot overrule it by skullduggery. Not if I catch you at it."

Wanted Better Personnel

THERE is only one funny incident in McCarl's career, so far as I know. He was getting his feet on the ground as a lawyer in Nebraska when he got the curious idea that the Government would profit if it bought a better grade of congressman. He began to interest the leaders of opinion in his idea without reference to their politics. He was getting somewhere, too.

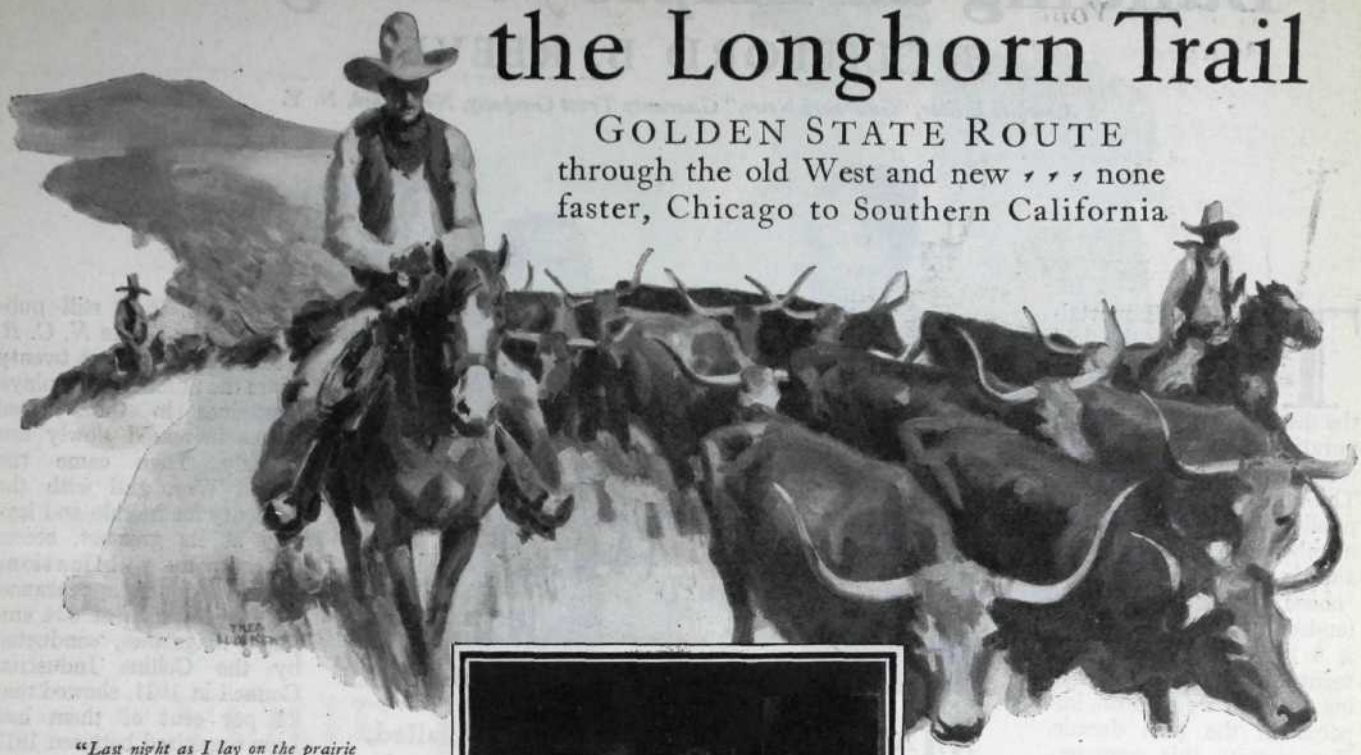
Perhaps that had nothing to do with this. But—anyhow—President Harding sent for him one day and told him that he was to be the new Comptroller of the United States, under the new law. Maybe Harding knew his man and knew he would be as independent as the law contemplated the comptroller should be.

Well—

If anyone thought that as an office-holder he would be less independent than he had been that person made a mistake. For he most unequivocally does not give a damn.

Follow the Longhorn Trail

GOLDEN STATE ROUTE
through the old West and new . . . none faster, Chicago to Southern California



"Last night as I lay on the prairie
And looked at the stars in the sky,
I wondered if ever a cowboy
Would drift to that sweet by and by.
Roll on, roll on;
Roll on, little dogies, roll on, roll on. . ."

So they sang to their longhorn cattle, those cowboys of fifty years ago, as they sat in their saddles beside drifting herds under wide western skies.

For a thousand grassy miles over Texas "Staked Plains", New Mexico mesas, and Kansas prairies, they drove their nibbling, milling, bellowing steers to market. Theirs was the era of the two-gun sheriffs and desperadoes of the stamp of Billy the Kid, who died with his boots on, 21 notches in his gun, when just old enough to cast his first vote.

Straight across that storied land today, Chicago and Kansas City to El Paso and through America's Southwest, the Golden State Limited drives smoothly over shining steel—following the Longhorn Trail.

There's no finer train on rails than the superbly-appointed, on-time "Golden State Limited". No train is faster, Chicago to Southern California.

And the Old West, romantic as it was, never was as fascinating as the new.



Tastefully-furnished private rooms and rooms en suite are among the accommodations on Golden State Limited.

Indians, cowboys, ranch life and crumbling Spanish Missions vie with evidences of astounding modern achievement.

At El Paso you will be only 5 minutes by trolley from Juarez in Mexico.

The Apache Trail highway in Arizona, a one-day side-trip, is a feature of absorbing interest. So, too, are Phoenix, Salt River Valley, and the Nile-like Imperial Valley. Stop over anywhere. Three fast trains operate daily over Golden State Route. Through sleepers from Minneapolis, St. Paul, Chicago, Kansas City and Memphis to Los Angeles, San Diego and Santa Barbara.

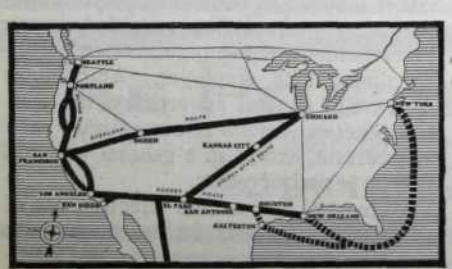
See the whole Pacific Coast—low summer fares in effect May 15

Stop over anywhere. Low summer fares will be in effect from May 15 to September 30; return limit October 31.

Only Southern Pacific offers choice of four routes. Go one way, return another. In addition to Golden State Route:

OVERLAND ROUTE (Lake Tahoe Line), via Ogden — shortest way across the mid-continent from Chicago to San Francisco; SUNSET ROUTE, New York to New Orleans by steamship (or by rail from eastern points to New Orleans), thence across Louisiana, Texas, and the Southwest to Los Angeles, San Diego and San Francisco, like GOLDEN STATE ROUTE offering Apache Trail highway; SHASTA ROUTE, of surpassing scenery, between the Pacific Northwest and San Francisco via Portland and Crater Lake.

Write your name and address in margin below, tear off, and mail to E. W. Clapp, traffic manager, Department V-5, Room 1022, 310 Michigan Boulevard, Chicago, for free illustrated booklet, "How Best to See the Pacific Coast."



Southern Pacific

Building an Employe Magazine

By CLIFFORD B. REEVES

Associate Editor, "Guaranty News," Guaranty Trust Company, New York, N. Y.



MANY employe magazines have failed; others have proved effective factors in organization building. Personal news and unusual illustrations in the magazine help. For instance, a picture of an employe receiving a prize from Douglas Fairbanks or a stenographer's idea of a $300,000 seat on the Stock Exchange attracts reader interest

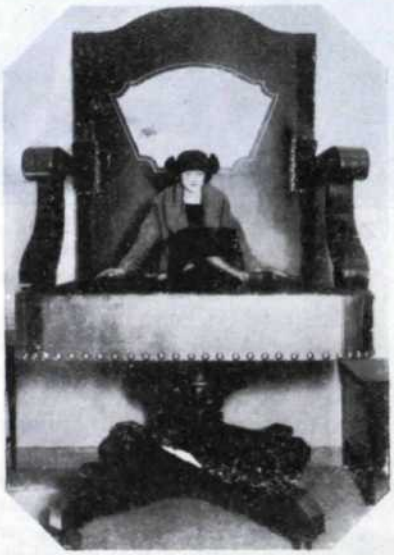
THE HIGH mortality rate in the field of employe magazines is evidence of the disagreement among corporation executives as to the worth of such publications. The employe magazine is a publication edited solely for members of a company's staff and is distinct from the "house organ," which is intended to promote sales. It is a rather recent development in personnel work, having received its greatest impetus in the past decade. But, despite this comparatively recent adoption of such publications as builders of morale, failures in the field are already numbered in the hundreds.

A survey made by the National Industrial Conference Board in 1925 showed that, of 423 employe magazines in operation three years before that date, 149 had suspended. The fact that many of these suspensions came at a time when corporation profits were declining seems to indicate a feeling that the employe magazine is a sort of extravagance, to be indulged in only when times are good, rather than a necessary feature of personnel work.

There are many corporations, however, that regard their employe publications as a leading influence in organization efficiency. At the present time there are anywhere from 500 to 700 companies in the United States publishing magazines for their employes and the officials.

Why this wide difference of opinion? That hundreds have tried such publications and abandoned them seems condemnation enough, until the further fact is considered that so many other corporations are continuing to spend large sums of money for employe papers.

The employe magazine sprang into being in answer to the need for a humanizing contact that might replace in some measure the personal relationship between employer and employe that was rapidly disappearing in the trend toward bigger business units. As corporations grew in size, the need for employe publications increased, especially in businesses in which specialization had been developed to a high degree, bringing the danger that such a minute division of the whole task into many small parts might deprive the worker of the romantic and inspirational vision that a view of the entire business gives.



The first real employe magazine was published by the National Cash Register Company in 1890. Starting as the *Factory News*, it is still published today as the *N. C. R. News*. For the next twenty years the number of employe magazines in the United States increased slowly but steadily. Then came the World War, and with the necessity for morale and loyalty at its greatest, scores of company publications made a sudden appearance. An investigation of 334 employe magazines, conducted by the Collins Industrial Council in 1921, showed that 91 per cent of them had been organized between 1917 and 1920.

In the post-war business depression, there occurred wholesale suspensions of publication among employe periodicals, and many corporations began to doubt their worth. It has been shown that 30 per cent of the magazines started in 1920 had been abandoned by 1922.

Inability to ascertain definitely the results attained by such magazines is undoubtedly the reason for much of the skepticism.

Many men responsible for their discontinuance are willing to admit that "It's a good idea." But then they add, "We don't think it works out."

Manifestly, this "working out," as evidenced by practical results, is the one thing in which employers are most interested. If the employe magazine shows no tangible, calculable results, no corporation can be criticized for not investing money in what then becomes only an unproved theory or an extravagance.

This skepticism of the value of employe magazines is not unlike the doubting attitude that militated against the general acceptance of advertising in its early days. And the two situations are rather analogous, for the employe magazine may properly be regarded as an advertisement of the organization's merits, directed to employes. And, as in the case of general advertising, the definite practical results are sometimes hard to ascertain, except in a general way and over a period of years.

Moreover, just as the effectiveness of advertising depends in large measure upon the technique used, so the effec-



Guard your postage

CONSIDER the lowly stamp box with its accomplices, the sponge and water cup. Cheap, easy to buy—these wasteful relics, basis of many a mail-room system, still hold far too prominent a place in hundreds of business houses—and almost daily lead to postage loss.

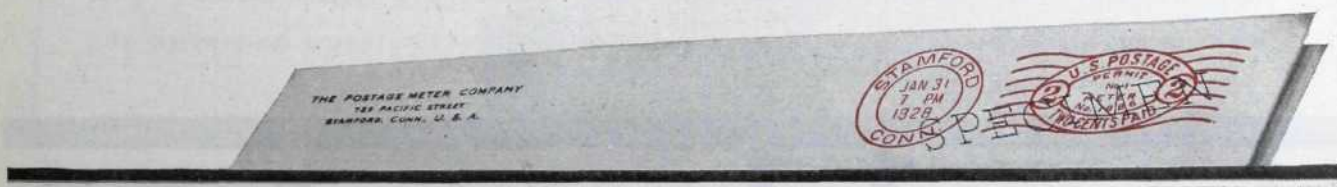
But already, thousands of business leaders have discarded such ancient mailing methods. For them, "Metered Mail" automatically guards the postage account. It eliminates buying, handling and accounting for stamps—prevents their use for private correspondence—facilitates preparation of outgoing mail—keeps accurate check on postage expense.

"Metered Mail" is prepaid mail—imprinted by the mailer with a meter authorized by the Government. Every piece of "Metered Mail" is automatically counted, sealed and stacked in your own office.

"Metered Mail" can be handled faster than any other class of mail by the Post Office because it eliminates facing, cancelling and routine handling. "Metered Mail" is speeded mail both in your office and after it is despatched.

A Consulting Service

Our line of equipment includes combined imprinting and sealing machines for the use of both Metered and Non-Metered Permit Mail; and sealing and stamping machines for the use of adhesive stamps, Government stamped envelopes, and precancelled stamps; also mail tables and sorting equipment. As the largest manufacturers of mailing equipment in the world, we maintain a staff of mailing specialists in the leading business centers throughout the country and offer you their services upon request.



THE POSTAGE METER COMPANY

Sole Distributors of Pitney-Bowes Mailing Equipment

702 PACIFIC STREET, STAMFORD, CONN., U. S. A.

OFFICES IN TWENTY-ONE AMERICAN CITIES AND FOREIGN COUNTRIES

2432

MORE than the addressing



they bargained for

WALTER BATES STEEL
CORPORATION

GARY, INDIANA

October 1, 1927

REFERENCE

RAILWAY STRUCTURES
STEEL FLOOR GRATING
BUILDING SPECIALTIES
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The American Multigraph Sales Co.
225 N. Michigan Ave.,
Chicago, Illinois

CABLE ADDRESS
WALTER BATES GARY

ALL AGREEMENTS CONTINGENT UPON STRIKES, ACCIDENTS OR OTHER CAUSES BEYOND OUR CONTROL AND ARE NOT BINDING UPON THIS COMPANY UNLESS AND UNTIL APPROVED BY AN EXECUTIVE OFFICER AT OUR GARY OFFICE.

Gentlemen:

We thought it would be of interest to you to know how our Multigraph Department is operating after preliminary activities have been completed.

We can state frankly that your Model 66 addressing Multigraph has proven to be a worthwhile expenditure in more than one way. It was gratifying to learn thru our Mr. Williams reports that our printing requirements are supplied at a great saving in time and money.

The original intention of buying your machine for our direct-by-mail advertising work has been found beyond doubt that it was just what we needed, but in combination with Multigraph printing, it is rapidly paying for itself and for all other outlays incident to a complete printing and mailing department.

Truly, we received more than we bargained for as per results convincingly proven.

Yours very truly

WALTER BATES STEEL
Corporation

Wm Ringer
Treasurer

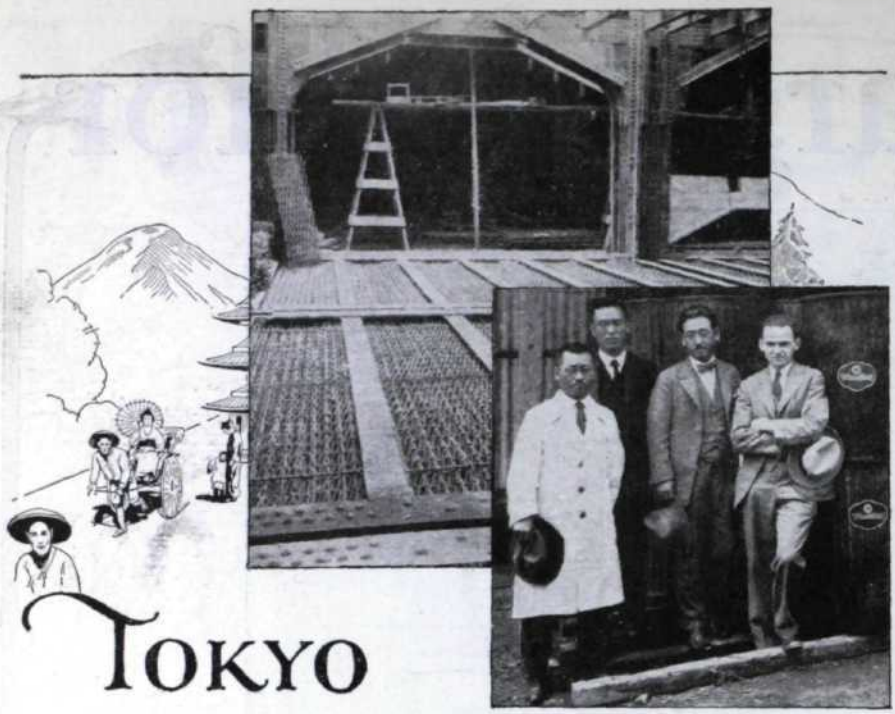
WR ED

And the display on the page opposite will give you part of the always important "reason why." Any one of our offices can give many more reasons why.

THE AMERICAN MULTIGRAPH SALES COMPANY, 1806 E. 40th STREET, CLEVELAND, OHIO

Also listed in telephone books of 50 principal cities.

MULTIGRAPH



Above—Armor Mat in place before pouring concrete. *Below*—Mr. Baldus of the Consolidated Expanded Metal Companies and three Japanese engineers.

TOKYO *turns to* Steelcrete

TO most of us Japan is a land of little almond-eyed men, jinrickshas, kimonos, pagodas, snow-capped mountains and cherry blossoms. The industrial Japan of 1928 is something of which we know very little.

Mitsui and Company, Ltd., the largest banking house in Japan —whose subsidiaries run the gamut of industry— recently set out to make their new main office building in Tokyo the finest in the Orient. Realizing that a banking building is only as strong as its vault, Mitsui instructed its agents to ascertain the finest materials for vault construction—and they chose Steelcrete Armor Mat!

The vault is now complete — protected by a maze of Steelcrete Armor Mat imbedded in concrete which defies torch, drill and blasting. It compares favorably with the largest and strongest vaults in the world. Walls, ceiling and floor are hard as concrete and tough as steel!

Let us send you full details of Armor Mat Vault construction.

THE CONSOLIDATED EXPANDED METAL COMPANIES

Steelcrete Building, Wheeling, West Virginia

Atlanta Cleveland Pittsburgh New York
Boston Philadelphia Chicago Buffalo

Steelcrete Bank Vaults

OTHER STEELCRETE PRODUCTS FOR SAFETY

Diamond Mesh Panel Guards . . . Metal Lath
Fabric for Concrete Reinforcement

When writing to THE CONSOLIDATED EXPANDED METAL COMPANIES *please mention Nation's Business*

tiveness of an employe magazine depends upon the editorial perception that goes into its preparation. Those whose trials of company publications have been unsatisfactory must ask themselves whether there was really no legitimate province for the periodical, or whether they failed through lack of technique to accomplish results that were really attainable. It is probable that such differences in the conduct and policies of various publications have led to the disagreement as to their effectiveness in general.

Of the employe magazines that fail, a majority deserve nothing but failure, because of the fact that they are poor magazines. There seems to have been a feeling on the part of corporation managers that any kind of a hodge-podge in type, when distributed to employes, will prove itself a panacea for all personnel ills. And when the cure does not work, they insist that employe magazines are worthless. Their condemnation is too sweeping. What they ought to say is that their particular employe magazine is worthless.

Wanted: Editors

THE chief cause of ineffectiveness among employe magazines lies in lack of proper editorial direction. There has been too much disposition to appoint as editors of such publications men who are merely well known and popular in the organization, regardless of their editorial training. Acquaintance among members of the staff is desirable, but not nearly so important a qualification as editorial ability.

Another type of man to whom the editorial torch is all too often passed is some employe who, by "Pro bono publico" letters to the newspapers, has unmistakably shown that trait which has been known through the ages as the itch to write.

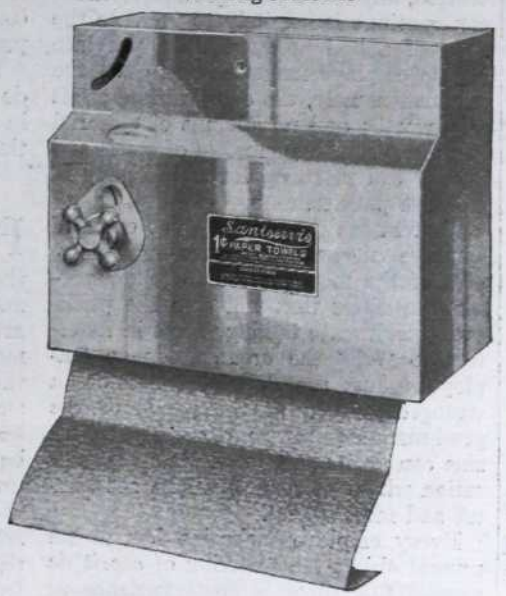
The usual misfortune of such a choice will be attested by any editor who pores over unsolicited manuscripts. Such a gentleman will tell you that, in the great majority of cases, such an inner urge to lay pencil on paper has nothing whatever to do with writing sentences that parse.

The editor of an employe magazine should be chosen for his proven ability as an editor. And it is better to have a well-paid man of real ability devote part of his time to the work than to have an unqualified man spending his entire time in preparing the publication. In most corporations it is possible to combine the work of the publication with the activities of the advertising or publicity departments, and thus bring greater talents to bear.

Typography is another important consideration that often receives little attention in company publications. Many of the employe magazines now in circulation look as though the printer had thrown together what was left in a type case at the end of a particularly busy day. And it is almost always true that wretched typography is a corollary of

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CORRECT DESIGN is the key to Vending Machine success. DOEHLER-designed vending equipment used by many nationally famous products, is the result of twenty-five years of specialized experience. DOEHLER engineers will solve your Vending problems, by designing a tested and perfected machine that will "service" your product the year round, without trouble or interruption... even if it is odd-shaped, unpackaged or liquid. Confer with us.



Wrigley's Gum Vending Machine

DOEHLER DIE CASTING CO.

Engineers & Producers of Vending Machines

386 Fourth Ave., New York

Brooklyn · Toledo · Batavia · Pottstown

THE WORLD'S LARGEST PRODUCERS OF DIE CASTINGS

Play the
SILVER KING



"My dear, at times, I'm afraid of my husband — a raving maniac when he handles a golf club."

"I've seen him—hits at the ball as if he were killing a cobra."

"That's it, a sort of assault and battery golf.

"Oh, buy the brute some Silver Kings."

"What difference can a mere ball make to that man?"

"Lots of it, dear, look at my Jimmy. Last year his score was high in the hundreds and his temper was low and despicable. I got him a box of Silver Kings and my married life has become one long twosome of bliss. Jimmy says it's all psychological, but I think it's as practical as can be. He says the King actually helped him stop pressing because he knows he can get distance with it by swinging easily. The confidence that comes of playing the best ball really does give a man extra poise and balance."

Silver King—
Reg. U. S. Pat. Off.



JOHN WANAMAKER
Wholesale Golf Distributors
NEW YORK BOSTON PHILADELPHIA
CHICAGO MEMPHIS LOS ANGELES

poor editorial treatment. All of which is further proof that the choice of editors is the most important consideration.

No employe magazine, of course, can create loyalty and efficiency, unaided. A company publication cannot convince mistreated employes that they are well treated, any more than good advertising can continue indefinitely to increase the sales of a bad product. The province of the employe magazine is to sell the product, namely, the organization, at its true worth; and no amount of editorial hammering on the subjects of spirit and loyalty can make up for a deficiency in employe policies.

Therein lies the second great cause of employe magazine failures—unwillingness of the management to follow personnel policies that will give the publication legitimate talking points in its effort to "sell" the organization to employes. Just as advertising becomes a stronger weapon in the hands of the good manufacturer, so an employe magazine can do its best work for an organization whose personnel policies are fairest and most liberal.

Every employe magazine has as its general object the fostering of *esprit de corps*. But there is great variance in the methods used to attain that rather ethereal and somewhat platitudinous objective.

Definite Editorial Program

AT THE Guaranty Trust Company, we feel that we attain our object by keeping in mind and working toward some half dozen more tangible objects that, when progressively achieved, combine to create the *esprit de corps* that is sought. These contributory objects are:

1. To promote fellowship among employes. If people make business associates their personal friends, they are likely to find a new interest in their work. Such friendships are encouraged by accounts of social affairs, constant use of people's names, and stories about interesting and humorous experiences of various employes. We want each employe to know as many fellow-workers as possible.

2. To provide entertainment. Some of the stories in *The Guaranty News* aim merely to entertain, on the theory that an interesting story or a good laugh about the business has an excellent, humanizing effect. For instance, an article on the amazing amount of cheese-cloth used by the bank, and how little of it went for making cheese.

3. To give a picture of "the job as a whole." Newsy stories of the organization's achievements give an inspirational view of the work which employes' own detailed tasks may not provide.

4. To furnish educational material on banking, when it can be combined with news of interest. Thus it is possible to give freshness to stories that might otherwise be dull, technical descriptions.

5. To convince employes that the organization offers real opportunities. This is done, not by the use of so-called "inspirational" articles that exhort employes to greater efforts, but by matter of fact accounts of promotions, and stories of personnel make-up, in which the implication of opportunity is obvious.

6. To report to employes anything that is news in our organization. This, it is felt, heightens their interest in the company's affairs, and permits them to participate more intelligently in the work.

Someone is now going to ask, "How do you know that you improve morale in these ways?" And that's a very pertinent question.

A Magazine That's Read

IN THE first place, we know that each issue is looked forward to and read thoroughly by members of the staff—and that is the biggest battle won. The articles published create widespread comment throughout the organization. Enthusiastic suggestions for stories are constantly received, and after an issue has been distributed hundreds of people may be seen taking their copies home for leisurely perusal. Best evidence of all that the publication has many constant and lynx-eyed readers is the fact that any slight error or omission is pointed out from all sides. In other words, we know that the staff is interested in the paper.

To determine the benefits resulting from the publication of an employe magazine, a company must analyze the morale of its staff, compare the increase in *esprit de corps* over a period of years, and match the efficiency and attitude of its personnel against that of other institutions of the same size and character. At the Guaranty Trust Company personnel officials find that such comparisons show the company's position in that regard to be excellent.

Just what share of increased morale is directly attributable to an employe magazine it is difficult to estimate, just as it is difficult to say that exactly 50 per cent of a firm's increase in business was attributable to advertising. But when corporations experience fewer personnel problems after an employe publication has been placed in operation, and when companies with such publications develop morale to a higher degree than those without them, the magazines' worth can be definitely ascertained.

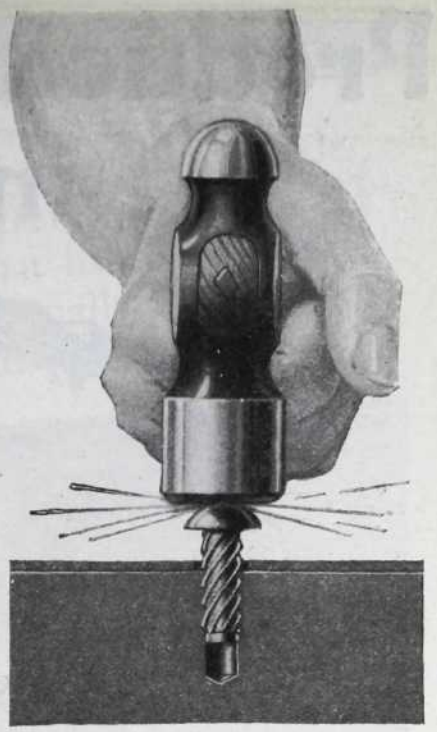
Good Morale Obtained

THE Guaranty Trust Company's personnel figures demonstrate plainly the beneficial effects of present policies, showing, as they do, that members of the staff are convinced that the organization is an excellent one in which to work. As a factor in the promotion of morale, the employe magazine is responsible in part for this employe attitude.

Voluntary resignations in the Company's American offices in 1927 numbered only 389 in a staff of more than 3,000, an employe turnover of only 12.9 per cent, which compares very favorably with the figures of institutions whose employe problems are comparable. Two thousand persons, or two-thirds of the

More assemblies per hour —less cost per assembly

with Hardened Metallic Drive Screws

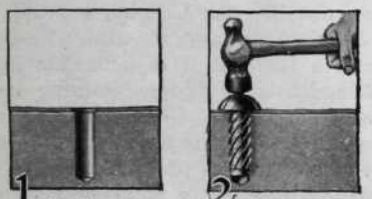


WHEN production lags or increased production schedules must be met you can speed things up with Parker-Kalon Metallic Drive Screws, and—what's more—reduce assembly costs. Alert manufacturers in every metal working industry are now saving time and labor making permanent fastenings to iron, brass and aluminum castings, steel, Bakelite, etc., by simply drilling holes and hammering in these Screws. In many instances they are cutting the cost of such assemblies as much as 50% to 75%.

Hardened Metallic Drive Screws make better—stronger fastenings than machine screws, escutcheon pins and other devices. Once driven home they are in to stay, even constant vibration will not loosen them.

How they're used

Two simple operations do the job and do it well. No skill or special tools required:



1 Drill a hole. 2 Hammer in the Screw.

The Hardened Screw is so threaded and hardened that it cuts its own thread in the material as it is hammered in, fastening the sections securely together.

How they save

Because they cut their own thread, tapping, with its breakage of taps and upkeep of tapping machinery is eliminated. The time and labor that this operation would ordinarily consume is saved.

Where they save

The assembly cost of hundreds of metal products of every description has been reduced with these Screws. More than 18,000 manufacturers are using them for applications ranging all the way from attaching name plates to making fastenings where strength is an important factor.

Firms like these use them

General Electric Co., Westinghouse Electric & Mfg. Co., The Hoover Co., Electric Vacuum Cleaner Co., Ford Motor Co., Auburn Automobile Co., Studebaker Corp., Chevrolet Motor Co., Otis Elevator Co., Truscon Steel Co., Victor Talking Machine Co., The Black & Decker Mfg. Co., U. S. Electrical Tool Co., Robbins & Myers, Gilbert & Barker Mfg. Co., Buffalo Forge Co., American Radiator Co., Elliot - Fisher Co., Stanley Works, etc.

Why not give them a trial?

Perhaps Hardened Metallic Drive Screws would save money in the assembly of your own product. There's only one way to find out. Try them yourself and see if they do the work. Just tell us what you want to fasten and we will gladly send suitable samples — no charge—no obligation.



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Please send me a handful of Hardened Metallic Drive Screws. I want to try them out for

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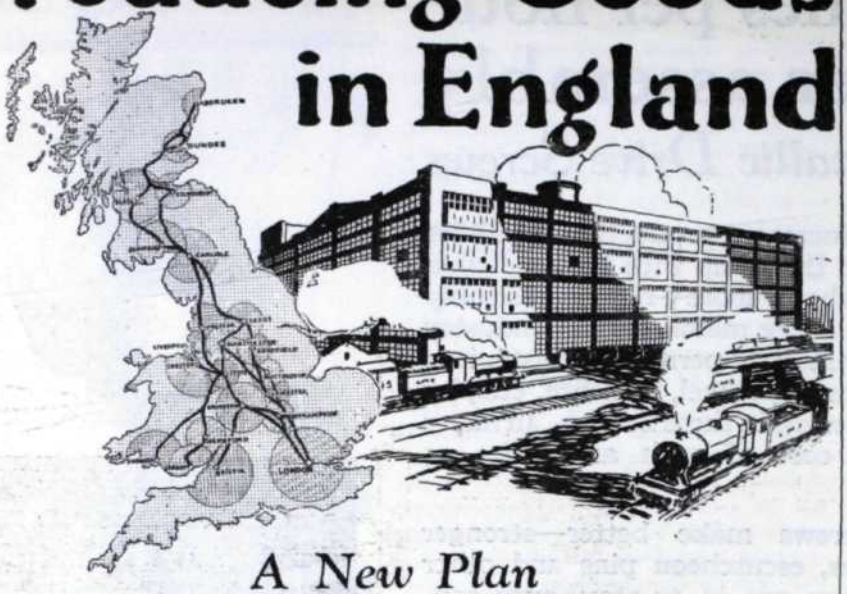
.....

Name.....

Address.....

.....

Producing Goods in England



A New Plan

Do you sell goods on the British market?

The British market with its population of 44 millions is as great as that of the thirteen most densely populated States of the Union—of high purchasing power, and accustomed to American merchandise.

Build a factory in Great Britain and add largely to your turnover.

And to find a location that will suit your purpose, go to the organisation that can give you the widest choice of factories and factory sites.

The largest register, by far, of plants and sites for plants in Great Britain is in the hands of Britain's greatest railroad, the L M S. The L M S is not only the premier railroad, but it is the railroad that serves all the important industrial sections—75% of the population by its own direct lines, and the remainder by direct connections.

Whether your factory must be near the seaboard, near the coalfields, near the labor or near the market, the L M S can find out the site you want, and on every proposition the L M S can give you the information you need to make a decision.

Cost of labor, cost of power, water, fuel, freight charges, every single question you can ask on these heads, is on the file of the L M S. If you want sidings or private tracks, if you want storage, if you want water carriage, the L M S can tell you where you can get them and what they will cost.

Whatever information you want about a plant or a warehouse in Great Britain is at your disposal right here in America.

All you have to do is to write to:

THOMAS ARTHUR MOFFET
Freight Traffic Manager in America
LONDON MIDLAND AND SCOTTISH RAILWAY OF GREAT BRITAIN
ONE BROADWAY, NEW YORK

Some prominent American firms having Plants or building Plants on sites alongside L M S Railroad:

Chesebrough Mfg. Company
Ford Motor Company
General Motors Corporation
General Electric Company
Goodrich Tire & Rubber Company
Goodyear Tire Company
H. J. Heinz and Company
Kalamazoo Company
Western Electric Company
Wm. Wrigley Jnr. Company

LMS

TERMINAL WAREHOUSES

When writing to London Midland and Scottish Railway *please mention Nation's Business*

staff, have been with the company five years or more. And the opportunities for employes have been real, for 90 per cent of the company's officials are men who have come up through the ranks from clerkships.

In preparing *The Guaranty News*, we try to keep in mind the fact that the publication must contain not so much the things that employes ought to read as the things that they will read. Technical descriptions of intricate phases of the business would perhaps, in theory, be the best possible material for employes, but unfortunately they won't assimilate such unadulterated educational doses. No employe magazine can be a textbook, nor should it attempt to compete with trade or business papers.

By making the magazine lighter in subject matter, and hanging such educational material on amusing incidents or special jobs in which employes have taken pride, it is possible to impart, interestingly and indirectly, enough informative material to make the publication worth while educationaliy.

Huge Job Well Handled

LAST year, for instance, our organization effected the retirement of almost 2,000,000 shares of preferred stock for the Standard Oil Company of New Jersey, at the same time issuing more than 3,000,000 shares of common stock to holders of warrants. The entire job, including transfer of the common stock to new owners, was completed within a few days. The task imposed a heavy load on a number of departments and kept hundreds of people working late for several nights. Such an unprecedented job offered the proper news angle for a story on trust procedure, so in an article that told of the amusing happenings incidental to such a gigantic job, we were able to weave in enough of the corporate trust procedure to give all employes a good idea of the department's operations.

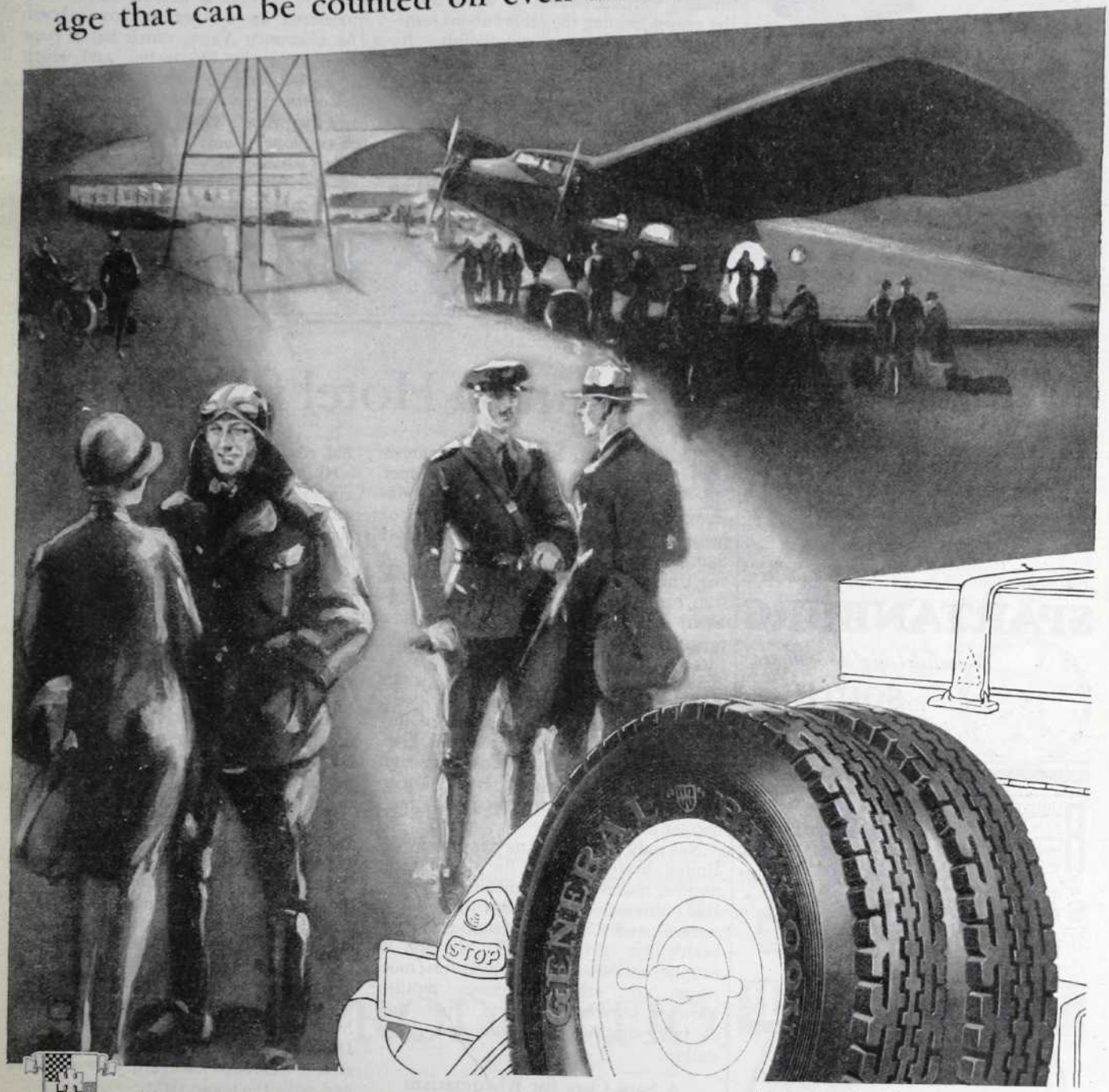
Likewise, the arrival of bank examiners provided the opportunity for a newsy, amusing story involving auditing procedure. The installation of amazing new machines in the stock bookkeeping department lent news and timeliness to a story on the methods of that division of the organization. Stories involving the same technical facts, but lacking the news and human angles, would probably receive little reader attention.

Humor is another virtue that gets employe magazines read. Serious stories about a business organization, if published in any great numbers, are too much like business itself. For that reason we try to write stories in a humorous vein whenever the subject can possibly be treated in that manner. This method has been found an especially good substitute for the usual "sermon" articles found in so many company publications.

Employes resent preaching, but are entirely amenable to suggestions that are implied when a little fun is poked at



THE beacon light of top quality has been the unfailing guide responsible for General's outstanding preference among car owners. General's part in the great progress that has been made in conquering distance is reflected in the exceptionally long mileage that can be counted on even in the second year of service.



Built in Akron, Ohio, by the General Tire and Rubber Co.

The Mark of Leading Tire Stores Everywhere

The GENERAL TIRE

— goes a long way to make friends

When buying GENERAL TIRES *please mention Nation's Business to the dealer*

Production Costs in SPARTANBURG Are Low



This Survey Tells Why—

Send for It.

COTTON can be manufactured in Spartanburg at 5c a pound cheaper than in many other cotton centers. The same ideal living and working conditions make for lower production costs on almost every other commodity. Labor here is plentiful, willing and intelligent. Climate is ideal and transportation unexcelled.

What You Get in Spartanburg

LABOR—White, All-American, Intelligent. Used to a full day of productive work. Labor unrest unknown and labor turnover almost negligible.

POWER—In the center of the country's great hydro-electric area and at the door of the Southeastern coal fields.

COAL—In close touch with great coal fields. Best grades of steam coal obtained at low cost.

WATER—Four large rivers and many small bold streams assure abundant year-round supply.

TRANSPORTATION—Two trunk lines to Middle West. Two to Atlantic Coast. On main line of Southern Railway from New York to New Orleans.

TAXES—No "taxation tricks." Taxation basis very favorable to successful industrial operation.

AIR MAIL—Regular stop on U. S. Postal Air Mail Route, 6 hours to New York.

GET ALL THE FACTS—Write for survey applying to your own product. You will be surprised to learn how much more economically it may be manufactured here. Your investigation costs you nothing.

INDUSTRIAL COMMISSION - CHAMBER OF COMMERCE
1400 MONTGOMERY BUILDING - SPARTANBURG, S. C.

SPARTANBURG



"The Hub City of the Southeast"

SOUTH CAROLINA

RUBBER NAME STAMP 45¢ OR ANY ONE LINE OF TYPE, not over ⅛ x 3" Business, Name & Address, or a Stamp with most any reading matter, to print not over 3 x 1 inches, for $1.05
INK PAD 20¢ - DATER 50¢ - NUMBERER 60¢
Catalog suggesting hundreds of BUSINESS-SHORT-CUTS 10¢ - sent FREE with first order - Postage Stamps Accepted



SAFFORD STAMP WORKS
207 W. MADISON ST. - CHICAGO

Eat and Be Well!

A condensed set of health rules—many of which may be easily followed right in your own home, or while traveling. You will find in this little book a wealth of information about food elements and their relation to physical welfare.

CONTROL YOUR WEIGHT WITHOUT DRUGS OR TIRESOME EXERCISES

Effective weight control diets, acid and bland diets, laxative and blood-building diets, and diets used in the correction of various chronic maladies.

The book is for FREE circulation. Not a mail order advertisement. Name and address on card will bring it without cost or obligation.



Health Extension Bureau
434 Good Health Bldg., Battle Creek, Michigan

things. Some time ago it became necessary for us to call attention to the shoving and crowding that was taking place each day outside of the company lunchrooms. We might have openly censured employes for their lack of manners and decorum.

But, instead, we prepared a humorous story entitled, "The Napkin Rush," that told of a woman who wandered into the lunch room and thought she was witnessing a college class fight. There was no note of censure, but the situation was made to look ridiculous by exaggerations. It wasn't the president of the company lifting a warning finger. It was a few of the crowd kidding the others about something everyone knew was foolish. No one's feelings were hurt, no resentment was engendered, but the situation immediately remedied itself.

A few headlines, chosen at random from recent issues of *The Guaranty News*, will serve to show the effort made to treat subjects humorously when possible: "Bank Checks, Like Women's Hats, Now Subject to O. K. by Style Experts," "Guaranty Name Census Reveals 34 Smiths, 22 Murphys, 119 Macs, and 1 Hlub," "Snuff That Lantern, Diogenes! We've Found Your Man Here in the Bank," "Loan Department Charged With Usury Because of Interest on Outing."

It is not necessary to spend a lot of money on printing in order to have a satisfactory employe paper. There are little four-page leaflets that are extremely effective, and there are elaborate 50 and 100-page books that find their way quickly into waste-baskets, unthumbed. Size has little to do with such a publication's effectiveness unless accompanied by intelligence in preparation.

If an employe magazine really proves effective, its cost is not excessive when considered on a "per employe" basis. *The Guaranty News*, which has a page size 6 inches by 9¼ inches, and which carries between 36 and 50 pages an issue, costs approximately fifteen cents a copy to print. Thus the printing cost per employe, is only $1.80 a year for the twelve issues.

It doesn't take much improvement in morale to make an employe worth $1.80 more a year. Even a moderately poor employe magazine can justify such low expense figures as that. And a good one should be worth many times its cost.

Running a Hotel for Snakes

FACED with heavy financial losses as the result of a grasshopper scourge which threatened to destroy their crops last year, ranchers of one of the great agricultural districts of South America sent a hurry up call to the United States for aid. One of those who responded was Albert "Tex" Schubach, former Texas ranger, who now operates a snake farm at Oakland, California.

Schubach, together with other snake ranch operators in this country, sent shipments of coachwhip snakes, totaling in value $25,000, to the afflicted area. These snakes were turned loose and within a short time were credited with having destroyed or driven out the grasshopper hordes.

Not only in South America but in the United States as well the demand for reptiles makes snake ranching a profitable business, Schubach says. Sideshows, farmers and Chinese doctors are Schubach's best customer's. To the first he supplies rattlesnakes, Gila monsters, moccasins and other venomous reptiles. Farmers purchase harmless types, such as tree, coachwhip, gopher and garter snakes.

A Sure Cure for Rheumatism

CHINESE doctors buy live rattlesnakes. They are placed in alcohol containers and allowed to "pickle" for three or four years. Applied to an afflicted joint, the alcoholized meat of these reptiles is a practically certain cure for rheumatism, Oriental physicians claim. Last year Schubach sold more than $600 worth of rattlers to this trade alone.

Schubach sells snake hides for hatbands and belt coverings. In his spare moments he experiments with snake venom and several kinds of antidotes.

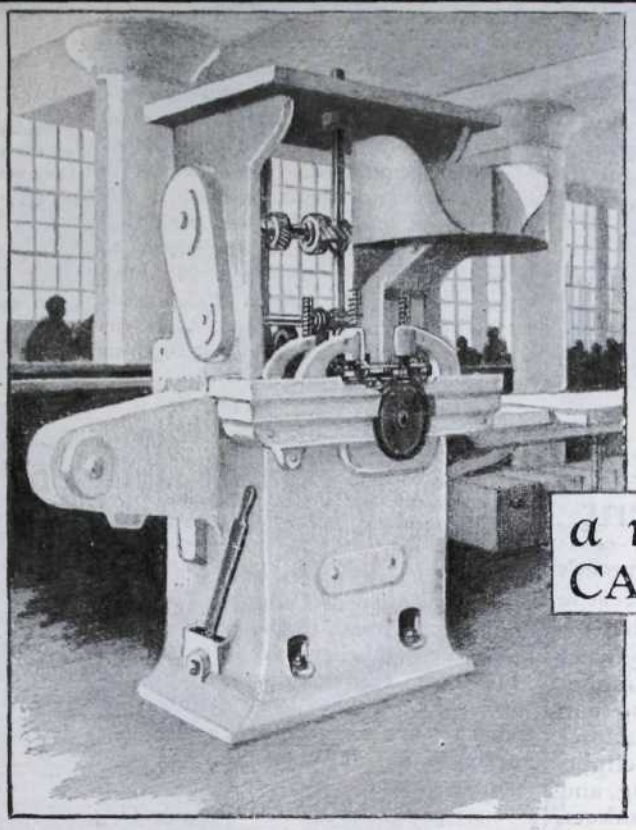
The reptiles on Schubach's ranch are procured in California, Arizona, and Mexico. Tex spends about half his time traveling from one snake locality to another, catching or buying reptiles. The remainder of his time is devoted to marketing his strange commodity and to giving demonstrations and lectures before schools, Boy Scouts, and fraternal organizations.

Schubach captures his snakes, especially the venomous kinds, with an apparatus of his own invention. This apparatus consists of a forked stick about six feet long and an eight foot piece of heavy cord. One end of the cord is fastened to the stick at the forked end. The cord is threaded through an eyelet about two inches above the fork so that it forms a loop.

If the snake is quiet, Schubach catches it by placing the wooden fork just behind its head, pinning it to the ground. If the reptile is moving or coiled to strike, Tex slips the cord over its head and pulls the noose tight.

Schubach has been struck eight times by rattlesnakes. A sharp knife, with which he slashes the wound, and a few crystals of potassium permanganate, which are rubbed into the incision, provide one of the most reliable snake poison antidotes known, Schubach says.

No Longer for want of a better way



a machine CAN DO IT

NO longer, for want of a better way, do manufacturers put up with costly manually operated or semi-automatic machinery. Complicated production operations, which only a few years ago had to be performed by human fingers, may now be accomplished more economically and more efficiently by special automatic machinery designed for the purpose by Special Production Machines, Inc.

Standard machinery will not always handle all the intricate operations from raw material to delivery of finished product. A manufacturer must have special automatic machinery to take care of the problems peculiar to his own manufacturing processes.

Special Production Machines, Inc., whose business is the designing and building of special automatic machinery for quantity production, has successfully served manufacturers in widely different fields. Some manufacturers ask us to improve or speed up present machinery. Others come with specific production problems for us to solve through special machinery. Still others practically challenge us to show them where we could cut their costs and speed up production. In the great majority of cases, we have been able to save clients thousands of dollars, save floor space, eliminate dirt and waste, and improve the general appearance of their merchandise.

If you have a research department we are glad to co-operate in helping to bring any development work to successful conclusion at less costs.

A booklet describing the services of Special Production Machines, Inc., its operation and its service to manufacturers, will be sent on request. Special Production Machines, Inc., Norfolk Downs, Mass.

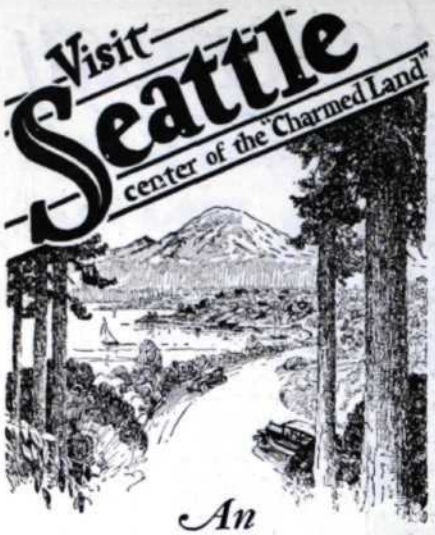
SPECIAL PRODUCTION MACHINES

—— INC. ——

A Division of

PNEUMATIC SCALE CORPORATION, LIMITED

For over thirty-five years Pneumatic Scale Corporation, Limited, has manufactured automatic labor-saving machinery for many of the world's largest producers of merchandise.



An

"Out West" Vacation That's Different

Before you decide on this summer's vacation, write for the story of Seattle and the "Charmed Land"—that remarkable, interesting and compact vacation area of snow-capped mountains, blue inland seas, evergreen forests, and with a glorious summer climate. Here the days are delightfully cool, the nights refreshing, and you sleep every night under blankets. No "summer fag" in Seattle—average temperature 62°.

If you once taste the joys and wonders of a vacation here you will confirm Evangeline Booth's appraisal that "truly this is Utopia".

SEATTLE—*Make your vacation pay double dividends:* combine pleasure with getting facts on Seattle's remarkable progress. Seattle's metropolitan area has a population approaching 500,000. Pacific Telephone & Telegraph Company engineers say: "Within sixteen years we will almost double present Seattle 'phone installations." Sound economic reasons, including the advantage of being the nearest American port to the Orient, account for Seattle's growth and the new importance of Seattle as an industrial, commercial and investment opportunity. *To keep in step with Western America you must reckon with Seattle.* Visit Seattle this summer.

See ALL the Pacific Coast

Come West over a northern transcontinental line. See *Seattle, Spokane, Tacoma, Portland,* then south by rail or water to *Oakland, San Francisco, Los Angeles* and *San Diego.* Or, come north to Seattle by train or steamship. Ask about trips to Alaska, Hawaii and the Orient.

Low round trip, excursion fares daily, May 15 to Sept. 30; return limit Oct. 31; stopovers at will.

Seattle

Metropolis of
The Pacific Northwest

CHAMBER OF COMMERCE,
Room 105, Seattle, Washington
Please mail me, FREE, your illustrated booklet describing Seattle and "The Charmed Land."

Name _____

Address _____

The Chain Store and Your Town

(*Continued from page* 17)

must, by the very fact of its being there, contribute a great deal to the welfare of that community. Rents and taxes are paid, salaries of local employes add to the payroll, and there is hardly any local activity that is not sponsored and supported by the chain store in proportion to the size of the unit and the number of persons employed. We endeavor to become a part of the community.

Our experience to date has been that all cities in which we have planned to open stores have welcomed us; have gone to unusual lengths to provide proper quarters for us; and, as far as we can determine, have considered us an asset to the community.

Chambers Dislike Chains

By F. H. MASSMANN

Vice-President, National Tea Company, Chicago, operators of grocery stores in the Chicago district

WE ARE members of the Chicago Association of Commerce and also of the Des Moines Association of Commerce, and, I believe, Minneapolis and Milwaukee. Our experience, however, is that many of these local chambers of commerce are dominated by men antagonistic to our organization and, aside from this, some of the projects fostered and sponsored by the chamber of commerce are inconsistent and frequently detrimental to progressive merchandising.

For these and other reasons we have maintained for several years an attitude that, while we will not become members of the chambers, we will be glad to have them refer to us any project backed by their organization which needs support. If it is consistent with our policy, we certainly will lend our financial and moral support to it. This we have done in many instances.

We fully realize that when doing business in any community we have a duty toward that community and our failure to join the local associations of commerce is not due to shirking of that duty.

Chains Aid Rivals

By C. R. WALGREEN

President, Walgreen Drug Stores Company, Chicago, operators of drug stores in the Chicago district

CHAIN store organizations receive requests for donations from a number of associations which are rejected for the simple reason that the chain organization does for the town, in a direct way, that which the associations propose to attempt to do; that is, bring more trade into the town. The chain organizations accomplish this direct, through advertising and attractive prices.

Local charities and chambers of commerce are supported.

Chain stores are apt to increase the business of a community, except that of merchants in the same kind of business, who probably suffer some loss of trade unless they actively compete, in which case they usually hold their own.

We Join Chambers

By C. B. VAN DUSEN

President, S. S. Kresge Company, operators of the second largest group of five-and-ten-cent stores in the country

THE subject is one in which I, personally, have been interested for a great many years, for I have endeavored, as long as I have held an executive position in this business, to convince all of the men appointed by us as managers that a very important part of their connection with this company is to see that our stores became a part of the community in which they are located and are not to be known merely as a branch of an organization having headquarters in Detroit.

We have not only encouraged but have practically insisted that our managers belong to such civic organizations as chambers of commerce, merchants' associations and similar organizations, as well as endeavor to affiliate with one of the good luncheon clubs, and in that way enjoy fellowship with their neighbors.

We have a very definite plan by which our managers are encouraged to participate in a financial way on behalf of this company in meritorious local and civic projects.

A canvass of the cities in which we are located reveals that the Kresge Company almost invariably is well connected in each city. The only exceptions are where the manager has perhaps found that the local civic organization is run in a haphazard, nondescript way and is not worth belonging to.

The criticism that chain stores take money out of a community is silly, of course, for chain stores pay salaries, rent, cartage, taxes, and all the other things that any local merchant pays, besides, as a rule, enabling those who trade with the store to make a liberal saving on their purchases, a service which might be considered as a very desirable contribution of money to the community.

Chambers Must Produce

By J. S. MACK

President, G. C. Murphy Company, McKeesport, Pennsylvania, operators of nickel-to-dollar stores in the Pittsburgh neighborhood

WE STAY with the chamber of commerce as long as it is a live organization. We believe each community should have a chamber of commerce; but it should be a live chamber—aggressive, doing something for the community. When it ceases to be that, we drop our membership.

In opening a store, we expect to share in the town's prosperity, and we know we will share, if we render a real service to the community. We are willing to



POWER WITHOUT *CONTROL* IS WORSE THAN WASTED

SPEED *with* SAFETY

Industrial plants, like mighty trains, find no allowances in schedules these days for wasted time. Every minute must show progress—and more and more power answers the call for increased speed. But in Industry, as on the railroad right of way, increased speed calls for greater caution; more accurate *control* so that the greater brute power employed leads to saving—not to destruction.

In Industry brute power is supplied by electric motors. What it does is decided largely by how well it is controlled. Held in servitude, correctly guided to do the bidding of workmen, it speeds production and brings down costs. Out of Control, it ruins equipment. spoils good work, and creates delays.

Realizing this is making Industry more careful in the purchase of Motor Control equipment. Experienced plants are specifying Cutler-Hammer Motor Control—and responsible machinery builders are featuring Cutler-Hammer Control on the machines they sell. To both, the reputation behind this famous name—respected for more than thirty years—is most valuable insurance.

13 Thirteen Times The Manpower of Industry Hidden Away In Electric Motors

Electric motors in America's industries today provide working capacity equal to 250 million workmen. That is more than 13 times the actual number of men employed. How effectively this army of "unseen" workers is used is determined by the Motor Control selected.

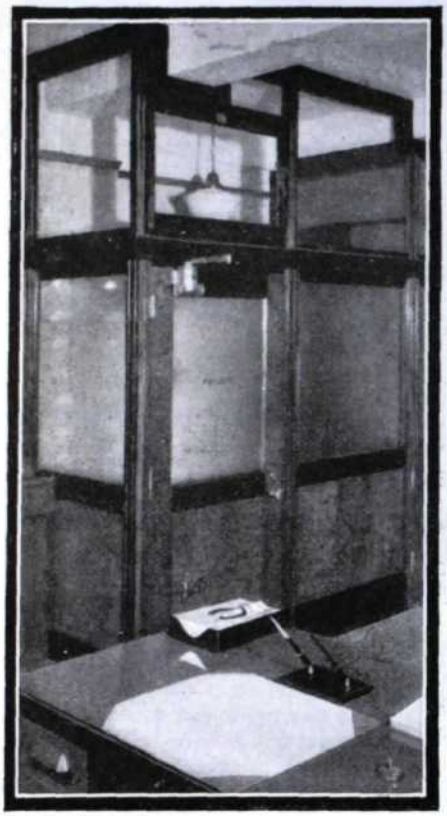
The CUTLER-HAMMER Mfg. Co.
Pioneer Manufacturers of Electric Control Apparatus
1251 St. Paul Avenue Milwaukee, Wisconsin

CUTLER HAMMER

The Control Equipment Good Electric Motors Deserve

When writing to The Cutler-Hammer Mfg. Co. *please mention Nation's Business*

These polished walls of wood



-tone and beautify the office

Probably nothing can surpass the natural beauty of finely grained wood. Circle A Partitions bring this beauty to the office—in walls of walnut, mahogany, oak, birch or gum.

Circle A Cabinet Design Partitions are fine enough for presidents' offices. The plainer Commercial design comes low enough for offices where expense must be considered.

Doors hang true. Walls *don't* rattle.

These fine office walls "go up" in two days—or less. A man or two is all the help required. And when office layouts must be changed, these Circle A Partitions are rearranged almost overnight. Send for interesting book "Partitions".

Also Distributors for Churchill Telephone Booths

CIRCLE A PRODUCTS CORPORATION
658 South 25th Street, Newcastle, Indiana
New York Office
Farmers Loan & Trust Bldg., 475 Fifth Ave., New York

CIRCLE A PARTITIONS
SECTIONAL · MOVABLE

When writing please mention Nation's Business

share in the town's responsibilities. If the town needs any improvements, we go along.

Chains Give Low Prices

By MICHAEL O'KEEFE

President, First National Stores, Inc., Somerville, Massachusetts, operators of produce stores

CHAIN grocery stores sell goods to the community at such great savings that the community is actually purchasing its groceries at prices more than 3 per cent less than those charged by the smaller grocer; in other words, the chain grocery industry is not endeavoring to get out of a community a profit which exceeds the economic savings.

The question as to whether chains are community-minded or not is a difficult one to answer. The average chain-store organization is not and in a sense cannot be represented in all the local chambers of commerce or boards of trade organizations in the communities in which it operates, but it is our belief that to perform an operation which is distinctly an economical advantage to the community served is to be in a sense community-minded.

Most chain stores hire managers locally from the communities in which they operate, and, of course, each manager is as interested in his particular community as any of the neighbors.

Managers Are Joiners

By ELMER JARED BLISS

President, Regal Shoe Company, Boston, shoe manufacturers with retail outlets throughout the country

ALL THE local managers of chain stores that I have ever come in contact with contract "clubitis" a short time after they land in the city. They want to join every organization in the city—dues chargeable to expenses.

The successful retailers are studying their problems all the time and never fail to adopt methods which have been proved successful in some other kinds of industry as well as their own.

The alert and competent independent retail dealer will never be driven out of business by the chain stores. The community has to pay, directly or indirectly, for the mistakes made by the incompetent retail dealer who believes that the world owes him a living.

Try to Be Friendly

By E. H. KROM

President, G. R. Kinney Company, New York, shoe manufacturers and retailers

WE ARE trying to cooperate with the chambers of commerce and local interests. It is my opinion that we do more of this than the ordinary home shoe store.

We find that the local dealer who endeavors to keep up to the trend of the times, sell up-to-date and good merchandise and give good service is the strongest competitor we have. We regard him as stronger than the other chain shoe stores in that town. He is in a position to give interested service that it is very hard to get into a chain store.

I desire that the Kinney Shoe Stores be known as extremely friendly stores, that its managers be known as friendly men—men who take real interest in the city where they are located—men who endeavor to place their store and their firm in the proper light before the community where they are located, by identifying themselves with some church and with other local affairs, and becoming active citizens.

Managers Usually Active

By MILTON SKLARZ

Secretary, Metropolitan Chain Stores, New York, operators of a-dollar-or-less general merchandise stores in the East

EMPLOYMENT is given to a great number of local persons by chain stores. Large payrolls are paid to these people, and in most cases you will find that chain stores lend themselves to the support of local charities and institutions.

This company is a member of some organization, either the local chamber of commerce or other institution in every locality where its stores are located. Many of its managers are active members in these organizations. Large investments are made in the communities where properties are located and in many instances substantial improvements are made to the property.

Housewives Want Chains

By HENRY SCHMIDT

Treasurer, H. C. Bohack, Brooklyn, operators of grocery stores and automobile accessories stores in the New York district

CHAIN stores are a great benefit to the community. No one realizes it more than the housewife who has to do the daily shopping. But even the small retailer can derive benefit from the chain stores, if he will only watch their operation and follow some of their methods. Many small retailers have a fine business today because they have kept a sharp eye on the chain stores and have been quick to adopt up-to-date methods.

The Bohack Company owns more than 60 parcels of real estate. Many times we have gone into new communities, bought a parcel of land, built one or more stores, even larger buildings, which are a credit to any community, and opened a new store.

The big packer, the banker, the manufacturer, or the store property owner, may all speak well of the chain store, but, after all, it is the general public who can give a correct answer as to whether the chain stores are a benefit to the community. On many occasions the Bohack Company has received requests to open a store in a community.

Petitions signed by as many as 200 women have been sent to our main office with the request that we open a store in their community.

ECONOMY



ECONOMY gets right down to dollars and cents. When economy goes beyond initial price and makes itself felt in operating and maintenance costs throughout a long truck life, it points the sure road to profits.

Low operating costs, dependability, power and speed stand out boldly in the experiences of the hundreds of thousands of operators of Graham Brothers Trucks and Commercial Cars . . . . And the economy becomes most complete and convincing when the extremely low initial prices are noted—and the fact that similarly priced repair parts and service are available from Dodge Brothers Dealers . . . *always* and *everywhere*.

Safety, driver comfort, ease of operation, fine appearance, complete trucks to fit any business . . . . all these add their weight in influencing seasoned operators to purchase more than Sixty-five Million Dollars worth of Graham Brothers Trucks and Commercial Cars a year.

2-TON - - - - - - - - - $1595
6-cylinder engine, 4-speed transmission, 4-wheel brakes (Lockheed Hydraulic).

1½-TON - - - - $1245 — 4-speed transmission, 4-wheel brakes (Lockheed Hydraulic).

1-TON - - - - $895

¾-TON COMMERCIAL - $670

Chassis Prices, f.o.b. Detroit

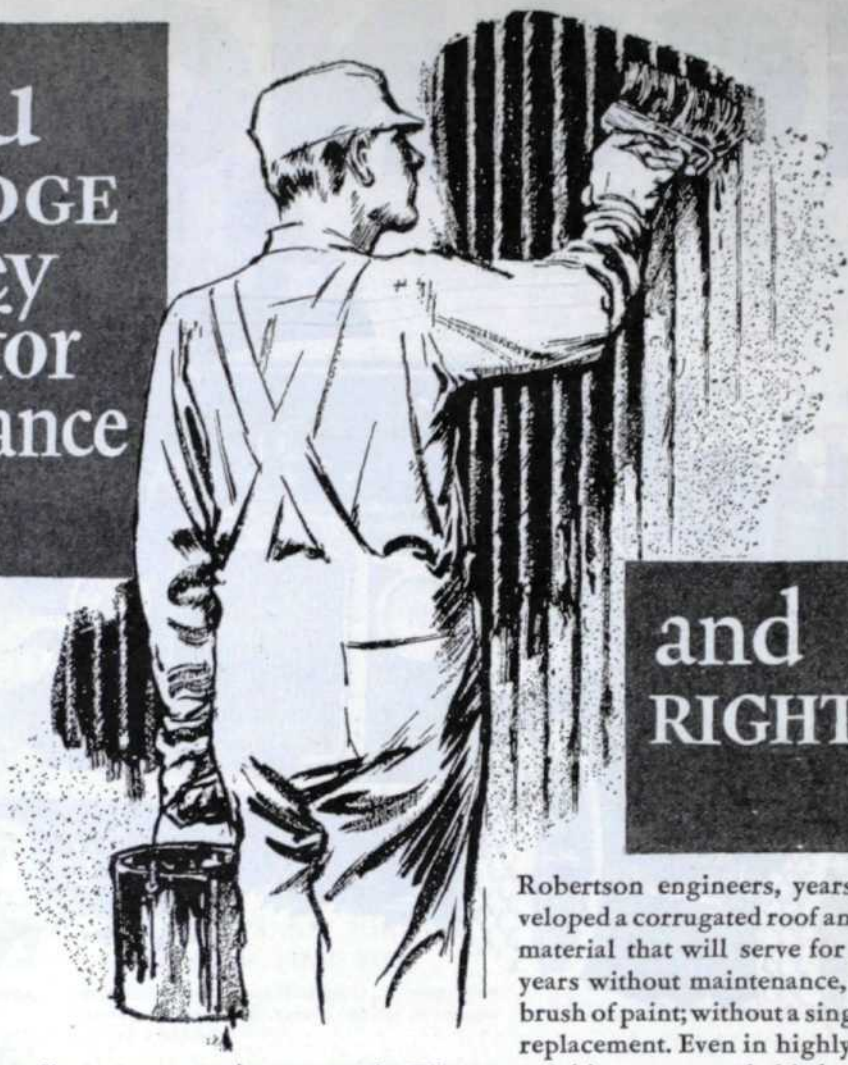
½-TON PANEL DELIVERY CAR $770
(Complete with body f.o.b. Detroit)

GRAHAM BROTHERS TRUCKS

SOLD AND SERVICED BY DODGE BROTHERS DEALERS EVERYWHERE

BUILT BY TRUCK DIVISION OF DODGE BROTHERS INC.

You BEGRUDGE money spent for maintenance



and RIGHTLY

THE attitude of American industry nowadays is "Millions for improvements; but not a cent for maintenance." It is justified, that attitude.

You don't mind making an outlay for something that will make money for you, but spending money continually for something that should have been right in the first place... that's another matter. It's just another form of waste ... piling up your costs. Naturally you begrudge it.

Take the matter of buildings. You may have a roof that literally melts away in a few years; eaten up by fumes or other corrosive influences. You paint it and paint it. You replace a sheet here or ten sheets there. But corrosion goes on. Finally you have to replace the roof and start the whole vicious circle all over again.

The Robertson idea is to correct that sort of waste. Robertson engineers, years ago, developed a corrugated roof and sidewall material that will serve for years and years without maintenance, without a brush of paint; without a single sheet of replacement. Even in highly corrosive work. (That material is, as you probably know, called Robertson Protected Metal—RPM). Robertson engineers, too, have developed methods of ventilating buildings so effectively that corrosive fumes are removed before they have a chance to do harm. They have developed methods of reducing condensation in buildings ... other things, too, that will interest you ... for example, "measured daylight" (Send for descriptive booklet.)

Why not have Robertson engineers go over the blueprints for your buildings? Old buildings or new ones. They will probably make valuable suggestions. This will not obligate you. Write direct to Pittsburgh office.

H. H. ROBERTSON COMPANY · 1st NATIONAL BANK BLDG., PITTSBURGH

ROBERTSON

WORLD RPM WIDE

BUILDING SERVICE

When writing to H. H. ROBERTSON COMPANY *please mention Nation's Business*

The Case Against Bertrand Russell

THE Bertrand Russell article in the March issue brought us a lively lot of comment. Harry A. Jung, commissioner of the National Clay Products Industries Association of Chicago, wrote as follows:

You could have knocked me over with a toothpick when I got to page 23 of the March issue of NATION'S BUSINESS and observed that publicity was given to the onerous views of Mr. Russell.

While I realize that there is room for the expression of views under our free speech traditions, I cannot help but believe that the pages of NATION'S BUSINESS should be given over to the upbuilding of America, which certainly is impossible under the specious theories of Russell.

I was very much chagrined that you paid him so high a compliment in your foreword. He may be a distinguished mathematician, but I submit that his philosophy is rotten, and that as a teacher he would subvert the minds of our young.

I could not consistently let his article remain in such a splendid voice of American industry as NATION'S BUSINESS happens to be, so I tore it out and consigned it to the waste paper basket, as I did not want it in the file copy.

Helping the Masses

LESS indignant, but critical, was the comment of Alexander Alexander, president of National Gum and Mica Company, who said:

In reading over Bertrand Russell's article beginning on page 23 in your March issue, it seems to me that, admitting his definitions to be correct, in America we have more social cohesion and individual initiative than in any other country in the world.

America has given more luxuries and comfort to the masses than any other country, and surely this is giving much to the world. Civilization is always working to make sure that the masses have more consideration and the first country to recognize this and prove it was America. To my mind that is the greatest contribution possible to give. It means that everyone has a chance to develop his initiative. It has made and built up big business. It means better pay, less hours of work, more time for recreation, higher prices for ability, greater consideration for the weak, and helpfulness everywhere. These are facts and not personal ideas, and, therefore, many of the conclusions in Mr. Russell's article are erroneous.

In my opinion the test of a nation's industrial development lies in the fruits it produces, and in America those fruits consist of better paid workmen, better housing, better opportunities, and the scale of living here includes luxuries which only the very wealthy of other countries can enjoy. I, therefore, think that America is truly holding up the torch of liberty in this endeavor as well as in many others.

Here's an educator who takes issue with Mr. Russell. J. E. LeRossignol, dean of the College of Business Administration at the University of Nebraska:

Unquestionably, there is a certain uniformity in American life, as seen in our cities as well as our people, which many foreigners have noticed and which we can readily see when once it is pointed out or when we return from a trip abroad.

But Mr. Russell's explanation of this uniformity is far from satisfactory. It surely cannot have been due chiefly to the fear of being swamped by immigrants, for it is more pronounced in the West, where there are relatively fewer immigrants, and it is much the same in Australia and New Zealand, where the problem of assimilating foreign immigrants does not exist. It might with greater show of reason be attributed to the leveling influence of democracy, as Mr. Russell suggests, or to the public school and the much-read newspapers and magazines.

Individuality Continues

AS TO our losing the individuality of pioneer days, I think that Mr. Russell is largely, though not wholly, mistaken. The individuality of those days was along practical rather than scientific lines, and initiative and inventiveness of Americans still continues, as may be seen in the tremendous technological progress that is still going on.

As to Mr. Russell's statement that American industrial life is intellectually parasitic, there is a measure of truth in that, for the simple reason that our civilization is of European origin. We have always been more or less intellectually dependent upon the mother countries, but now less so than formerly. That we are breaking away from Europe's leading strings may be seen in our medicine, surgery, architecture, and, in fact, in every line of intellectual achievement.

As a matter of fact, individuality is diminishing in Europe as well as in America and wherever else the democratic spirit is gaining and education is becoming widespread. Everywhere more stress is being laid upon teamwork, cooperation and other manifestations of the principle of cohesion. All this makes for stability and permanence of civilization, after a certain stage of progress has been reached, though there may be danger of stagnation.

Discourage Intellectuals

MR. RUSSELL is surely right in saying that we do not encourage individuality and intellectual endeavor as much as we should. We have been and still are more interested in the exploitation of the continent than in anything else, and do not respect or reward intellectual achievement in the proper way. If a scholar does something worth while we push him into church work or activities of the Masonic lodge, or the Rotary Club, or we make him college president, and that is the end of him. The right sort of appreciation and rewards, coupled with tolerance for individual peculiarities, more life in the desert, and a certain salutary neglect, would do much to promote art, literature, science and every other phase of intellectual progress.

J. G. O'Brien, president of the Caldwell Manufacturing Company, which makes sash balances and hardware specialties at Rochester, is an individualist. He's all for Mr. Russell and says so:

The article, in March number of NATION'S BUSINESS by Hon. Bertrand Russell, in our opinion sounds a clear and distinct warning to America. There is no question but what we are trying to impede the natural economic laws by artificial means (organization), which intimidates individuality, and sooner or later will destroy initiative.

As Mr. Russell forcibly states, we are a democracy, and are taught that each individual is born equal. However, this means that we are equal under the law, but not equal in capacity. Some of our thinking men and women are commencing

Beauty and the Buyer

THE CALIFORNIA nut has its monogram cut on its shell to prove it's a winner, and the onion from Bermuda looks so rich it must exclude a lot of ordinary scrub ones from the dinner. The apple from Wenatchee, sold from Maine to Waxahachie, is polished like a jewel dealer's sample; and the orange in its splendor, bringing joy to every vendor, draws a fancy price that certainly is ample.

The good old Irish Murphy, once half sprouted and quite turfy, goes to market nowadays in fancy trappings; each individual tuber makes the grocer quite exuberant,—he sells it for a dime with all its wrappings.

The critics scoff at Babbitt as a creature of dull habit who worships money-grubbing as a duty; yet he's knocked the critics silly, made the onion seem a lily and Idaho potatoes things of beauty. If his art keeps on advancing, carrots, like Corots entrancing, will be sung about in vegetable sagas; and cabbages like roses will be seen in fetching poses side by side with rhinestone-spangled rutabagas.—L. A. B.

in small offices in large factories



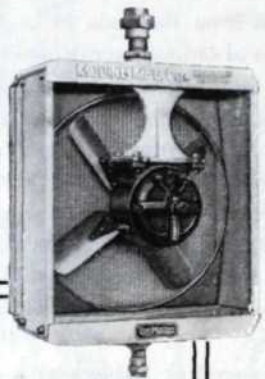
Thermodine Unit Heater No. 101 in Wright Rubber Co. Offices.



Thermodine Unit Heaters No. 701 in the Northwest Engineering Co. Plant.



Two Model 501 Thermodine Unit Heaters recessed — ideal for show rooms and auditoriums.



Thermodine Unit Heater No. 701 — replaces approximately two tons of cast iron radiation.

Provide Better Heating with Thermodine Unit Heaters

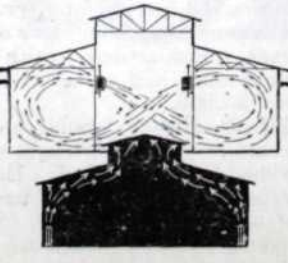
THE complete line of Thermodine Unit Heaters meets the heating requirements of any space. When the question of heating arose in the Northwest Engineering Co. plant at Green Bay, Wis., 45 model 701 and 2 model 301 Thermodine Unit Heaters were chosen to heat the 158,000 sq. ft. of floor area. And when the Wright Rubber Products Company of Racine, Wis. decided that the present cast iron radiation was insufficient, a little Thermodine Utility Heater was installed. The result: Complete heating satisfaction in both cases!

Learn more about advanced Thermodine Unit Heaters — that deliver heated air down to working level and keep it there — that suspend from the steam main up out of the way — that give new flexibility, better control of heating.

Whether a complete heating system or auxiliary units — our engineers will cooperate with you. *Write for complete facts.*

MODINE MANUFACTURING CO.
1710 Racine St. *(Heating Division)* Racine, Wis.
BRANCH OFFICES IN ALL LARGE CITIES
London, England Office: S. G. Leach & Co., 26-30 Artillery Lane

ThermoDine
Unit HEATER
A MODINE Product
FOR STEAM OR HOT WATER HEATING SYSTEMS



Above — How Thermodine Unit Heaters circulate heated air down to working level and keep it there where needed. Below — Uncontrolled air circulation with cast iron radiation.

When writing to Modine Manufacturing Co. *please mention Nation's Business*

to realize this fact, and I believe will correct the fault in time.

We have for a number of years been spending an enormous amount of money to maintain our so-called educational system, to educate the youth of the land, with the result that we are trying to force into the brain food that the brain cannot digest. Whereas if we made it possible for a large percentage of the youth to become good housekeepers, carpenters, masons; in other words, teach them to make a living, they would be a great deal better off, and in return it would be a benefit to the public welfare. In the writer's opinion, this is the cause of the so-called high cost of distribution.

The competition is keen among the great mass of educated American people, who have to keep up a social standard in their respective communities. Whereas, if they were educated differently they would be better off, and the public welfare would be benefited.

Chancellor Snelling of the University of Georgia quotes Mr. Russell's own admission that the article is the result of "a somewhat superficial observation" and adds:

If America has reached a final and static social condition, there is much room for concern; because there can be little question that, judged by the present state of things, Mr. Russell's conclusion is in considerable measure justified.

But America is a new country that has not found itself.

I want to believe that the weakness Mr. Russell points out is but a phase in our development.

President Walter Dill Scott of Northwestern University has the same view:

Admission Helps Cure the Ill

I THINK Mr. Russell has pointed out a danger of our present American life, but I think it is too generally recognized ever to become the weakness which he considers it.

William Adams of the Harrison Radiator Corporation is sententious:

The intelligent are born that way. The intellectuals get that way by thinking too much about how intelligent they are.

But that, with one more, is plenty about the Russell article. The one more is from Dean Edward M. Weyer of Washington and Jefferson:

Our civilization has gone in for mass production even in matters of the intellect, and personally I think it is a losing policy.

Moreover, our schools are trying to make children too socially-minded. They turn out only good mixers as their star product. And, too, our industries are parasitic on intellect.

We may rival Rome but never Athens. We are drifting into pagan lavishness without a philosophy that would make us appreciate our blessings and also *see* our shortcomings.

Bertrand Russell in philosophy always commands my admiration and always rubs me the wrong way.

I see things diametrically opposite and think his philosophy oftentimes utterly pernicious, but in this article he seems entirely right in his criticism.

Uses for this *grainless* wood are steadily increasing from New York to Hollywood!

Possesses uniform strength and remarkable workability. Highly resistive to moisture. Very tough and dense. Has a smooth, attractive surface on the face side, and requires no paint for protection. Also takes any finish beautifully. Send for large, free sample.

TWO years ago, after a long series of tests and experiments, a modern inventive genius succeeded in producing a wood better, in several ways, than Nature's own material. It was much denser, far tougher, had greater moisture resistance. And it was *grainless!*

This product, known as Masonite Presdwood, has already shown almost unbelievable adaptability in many industries, and the number of its uses is steadily increasing throughout America.

In fact, the trails of Presdwood cross and re-cross endlessly—from breakfast nooks to motor boats, from cooling trays for hot castings to the paneling of beautiful homes, from the packing cases in a New York warehouse to the movie scenery of Hollywood!

This is happening right along

Step into the offices of a great manufacturing plant located in Camden, New Jersey, and you will find that all of its telephone booths are lined with Presdwood.

Out along the highways of Pennsylvania you will again see Presdwood—in the form of advertising signs.

In Pittsburgh, more Presdwood—a large department store ordered 14,000 feet of it just a few weeks ago.

In Cleveland, and other Ohio cities, candy manufacturers are making use of Presdwood for starch trays.

A Wisconsin manufacturer has also standardized on Presdwood—for incubators. A Minneapolis concern is using it in making safety wheels for bathing beaches and swimming pools. Out in Los Angeles, as well as in the East, it is going into concrete forms.

Presdwood is used for bed-room screens and for barbecue stands, for invalid trays and for theatre props, for artists' boards and for display booths. It will give as dependable service for garage doors in a Chicago suburb as for china closets in a Boston residence or for fixtures in a Seattle delicatessen store!

Only a short time ago, the head of a fast-growing American industry sat in his office running an eager hand over the fine, smooth surface of Presdwood. Quickly he decided that it was the very thing he needed, and it is now standard material for the manufacture of one of his leading products.

Similar incidents are happening right along. The simple truth is that you have no idea of what you can really do with Presdwood until you have seen a sample and made a few experiments with it.

The advancement of Presdwood has been especially rapid in planing mills and wood-working plants. Kitchen cabinets, show cases, counters, radio boxes and tension boards, work-bench tops, cupboards, office partitions and shelving—these are but a few of the many additional things which are made of Presdwood. And new uses are being discovered almost every day!

Remember that Presdwood is not only *grainless*, but that it has greater moisture resistance than Nature's own material, is much denser, and is far tougher. Yet it contains no chemical binder; no foreign substance of any kind. It is simply genuine wood torn apart and put together again—genuine wood, and nothing else!

Presdwood is manufactured by exploding fresh, clean chips from guns. This is done at a velocity of about 4,000 feet per second. The long fibres thus produced are then packed into hydraulic flat bed presses and subjected to hundreds of tons of pressure. The finished product is cut by automatic machines into broad smooth boards of uniform thickness.

Advantages of Masonite Presdwood

Masonite Presdwood has an exceptionally smooth, attractive surface on the face side, and requires no paint for protection. It also takes any finish beautifully. It won't crack, check, split or splinter. It shows minimum contraction and expansion.

It contains no grit, and can not damage tools. It can be used on saw, planer, sander, shaper. And it comes four feet wide by twelve feet long.

We urge you to make your own tests and experiments with Masonite Presdwood. Only in this way can you find out what a really wonderful product it is. We will gladly forward you a large free sample promptly on request. Send for it to-day.

MASON FIBRE COMPANY

Sales Offices: Dept.1458, 111 W. Washington St., Chicago, Ill.

Mills: Laurel, Mississippi



Masonite PRESDWOOD

Made by the makers of

MASONITE STRUCTURAL INSULATION

REG. U.S. PAT. OFF.



©1928, M. F. Co.



THE QUESTION MARK IN YOUR BUSINESS NEEDS THE "N.L.C."

EXECUTIVES, to-day, are asking more searching questions than ever before. That is why the "N.L.C." is daily becoming a more important service to help solve the problems of industry. The three letters "N.L.C." stand for National Lumber Consultant.



The use of wood in industry to-day is almost universal. Some industries are wholly dependent upon it as a raw material while in others wood makes possible the more economical crating or packing of their products. Others use wood in the construction of new buildings or factories or to solve the problem of housing their employees.

The National Lumber Manufacturers Association has established the "N.L.C."—a corps of experts, thoroughly trained and experienced in the use of wood—as a service to other industries. Within this group is concentrated a highly specialized experience in the right use of the right kind of wood that will help you effect an appreciable saving in your own business.

The cost of the services of the "N.L.C." specialist to solve your particular problem is exactly—nothing! It entails no obligation!

A request on your letter-head will bring either additional information regarding this service, or a personal call from the "N.L.C.," as you desire.

NATIONAL

LUMBER

MANUFACTURERS ASSOCIATION

WASHINGTON, D. C.

NEW YORK, N. Y. *SAN FRANCISCO, CAL.* *INDIANAPOLIS, IND.* *DALLAS, TEX.*
CHICAGO, ILL. *MINNEAPOLIS, MINN.* *KANSAS CITY, MO.* *PORTLAND, ORE.*

AMERICAN STANDARD LUMBER FROM AMERICA'S BEST MILLS

Graft and the Helping Hand

By ROBERT DUKE

IT'S the business man that "pays and pays and pays" as the heroine of "The Chorus Lady" used to say. And he pays because he's a coward.

Let someone whisper, "If you don't come in on this, you'll make a lot of enemies," or "If you don't take a page in this annual a lot of the boys at the City Hall will be sore," and he reaches for a check book.

Try to put something over on him in his own business and he'll fight as long as he can stand. But he tumbles over his feet to get into something which his common sense tells him isn't sound. Why? Because he's afraid.

"Bigger and Better Backbones" is the banner this author would raise.—*The Editor*

THE OLDTOWN Lodge of the Magnificent Order of Whatnots had decided to send its Most Important What, accompanied by a guard of 50 Whats and 50 Nots, to the Annual Convention and the Committee on Ways and Means was holding a session to devise methods by which to raise the wherewithal.

Old Jim Whiffet, Most Important What, was in the chair. He rapped for attention, looking around the table with an expansive grin, for of all the orders to which he belonged the Whatnots were his pride.

"The business before your committee tonight," he announced, "is the perfection of plans for sending your presiding officer and Most Important What, with a suitable escort of brothers, to the Annual Convention in Springfield next summer. It will cost us about $2,000."

"We've got more than that in our Treasury," ventured a new member, proud of his knowledge of the Lodge's finances. His statement was greeted with ironic smiles from older brothers who had served for years upon the Ways and Means Committee. Mr. Whiffet turned to answer him.

Save the Treasury!

"I SHOULD have explained, Brother New," he said, "that we do not plan to use money out of the Treasury for such purposes. We never have found it necessary in the past. That money is for other purposes."

"What's the matter with the old way of doing things?" asked a brother at the end of the table. "Why not a benefit ball, with a special program?"

"Wouldn't that cost a lot?" inquired Brother New. "Printers don't put out special programs for love. To make a decent looking job would cost as much as we would take in from tickets to the ball."

"You tell him, I'm too kindhearted," said the Most Important Keeper of the Jack to Mr. Whiffet.

"Well, Brother New," explained Mr. Whiffet, smiling kindly, "it's this way. We get up a Benefit Ball and put out a special program, permitting our friends among the corporations, business houses and merchants to advertise in it, for $100 per page. The tickets we sell to members—they pay for the ball, the advertising pays for your Important Whatnot's trip, with escort."

"But who wants to pay $100 a page for advertising in a dance program?" insisted Brother New.

"Come along with me tomorrow, Brother," suggested the Most Important Keeper of the Jack. "You'll be pleased to learn that you're wrong. Just watch and see how eager our leading business men and merchants are to appear in the program. Of course all the utility companies will take pages.

"Anybody could tell you that," declared a member who hadn't spoken before.

"I don't see why," continued the new member. He was a person of some persistence and Old Jim Whiffet explained a bit further.

"You haven't got the point of view, Brother New," he began patiently with another of his large embracing smiles. "You see, when we go down to Springfield we will not merely represent Oldtown Lodge of Whatnots but the city itself. We will advertise it, boost it, help make it better known. Any patriotic citizen ought to be glad to have the opportunity of contributing to such a cause."

And all that was left for Mr. New to say was:

"Maybe you're right."

That ended the debate. The proposal to hold a Benefit Ball, with an elaborate program in which selected advertisers might be permitted to spend as much as they pleased at $100 per page, was approved. The next day and for a few hours each day the rest of the week Brother New and the Most Important Keeper of the Jack helped work one side of Main Street and Broadway, while other brothers worked over the way. Corporation officials, merchants, business men, bankers bought space without a murmur—while a Whatnot was present.

"It pays to be a Whatnot, my boy," declared the Keeper of the Jack. "The Oldtown business man knows how important we are."

"I see he does," agreed Brother New. "I'm certainly glad I'm a member."

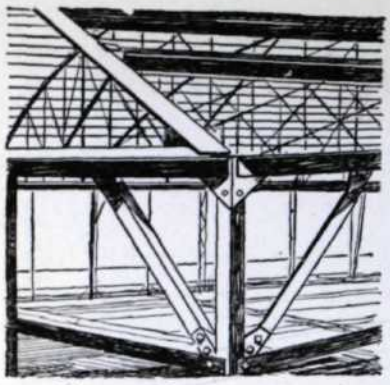
So there you are. What do you think of the Benefit Ball idea as exemplified by the Oldtown Whatnots. Speak right up! Don't let the fact that you are a member of the Whatnots or the Whosethems, or the Cow and Calf interfere with your honest judgment!

Graft or Advertising?

PERHAPS if you are not a Brother and not a Big Business Man, you may never have been asked to contribute to such a Benefit Ball. You may think that such affairs are never put on where you live. It must be an exceptional place if you are right. It's being done by our best brothers every week from Kennebunkport to Walla Walla.

Is it graft? Use your own judgment. Or ask a business friend of yours what he thinks of the advertising medium offered. Confidentially, mind you, very confidentially, I'll bet a signed photograph of Teapot Dome to a life of Boss Tweed, that he will say that such advertising "isn't worth a damn." If he is candid he will no doubt add that he takes his page because he is afraid to stay out when others are going in.

This article isn't written to attack the Whatnots or their methods. Their talk was honest talk. They believed that



Complete
Industrial Buildings
may be bought ready to erect~ or ready to use

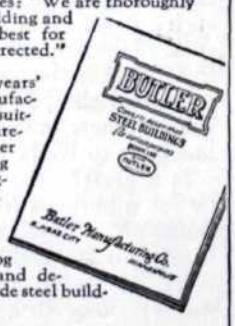
THEIR sturdy construction, their adaptability, their lifetime service, their fire-safe quality, their ease of erection and enlargement make them most desirable. If necessary they may be removed and re-erected with practically no waste.

Butler
Ready-Made
Steel Buildings
may meet your needs exactly

These buildings are constructed of 24 gage galvanized wall and roof sheets, bolted together and to steel frame with galvanized bolts. Sheets have extraordinarily deep paneled corrugations affording great stiffness and durability.

Buildings are shipped complete with windows, doors, bracings, bolts and reinforcements. Every part is numbered to correspond with accompanying blue prints, permitting of quick assembling by local labor. Sizes: widths from 8 ft. to 100 ft.; heights, up to 18 ft.; lengths, not limited. For larger sizes, write for information. Money-saving quotations, f.o.b. plant or erected, submitted promptly upon request.

A Montana buyer writes: "We are thoroughly satisfied with this building and believe it one of the best for the money that can be erected."



Butler's twenty-seven years' experience in the manufacture of steel buildings suitable for factories, warehouses, stores, power houses, garages, filling stations, airport hangars, offices and numerous other important uses is at your service wherever you are located. Send for catalog "B", which pictures and describes Butler ready-made steel buildings in detail.

Butler Manufacturing Company
Kansas City, Mo. Minneapolis, Minn.

TRADE STEEL BUTLER PRODUCTS MARK

Oldtown should pay for the trip to Springfield and that money for it should not be taken out of Lodge Funds.

But fraternal orders have no monopoly in the field of Benefit Balls and program advertising. Not by a considerable number of light years. And some of it is just plain organized graft.

It may be that if you live in a large city, and have been solicited to advertise in several different "Benefit Balls" you have noticed that the form of the contract the solicitor offers you is always the same. Did it ever occur to you that there was any significance in that fact?

Too Much Organization

OF COURSE a printer could make such contract forms identical with others, and in itself the similarity means very little. But the chances are if you have been presented with the same sort of blank on several occasions that the graft in your town is pretty well organized. The "racket," the word that is used now to describe such operations as well as those that are much further out beyond the law, is probably in the hands of a few men, perhaps only one.

Men who run "rackets" are wise. They know the law. They understand pretty clearly what they can do and what they had better not attempt to do. They may stand in with the police department. They have "sucker lists" of business men and others who can be counted upon to contribute and not yell about it.

Let's see how the racket is worked by the organized grafters. Take a case out in the West, which covers a very considerable area and will not be offended thereby, being broadminded and full of open spaces. There was in a certain city an organization of Veterans in need of money. Not that there is anything unique in that, but it needed money so badly that it began to look around to see how it might raise it. As in most organizations there was one man, who might be called Mr. Bull, who knew how.

At the next meeting of the Veterans Mr. Bull presented Mr. Bunk "a live wire," who soon convinces the soldiers that raising money is really his first name. He talks about how many campaigns he has put on and speaks largely about $1,000 or even more. The cost to the Veterans is to be modest, 15 per cent and necessary expenses. And Mr. Bunk will handle the financial end of the affair.

The Veterans are impressed with Mr. Bunk's selling talk. He gets the job. If he hasn't any office but the one under his hat he rents one, preferably not in the business section, at a consequently lower rate. He puts in a telephone, takes his sucker list and begins. He calls up the names, one by one, talks to them tearfully about the plight of the Veterans, and, whenever he feels a bite, dispatches a solicitor, probably a pretty woman, to the office of the prospect to clinch the matter—the sale of tickets or of advertising space in a "program."

The fish bite, one by one. The contracts come pouring in, the tickets are sold by the scores and the Veterans have visions of wealth to be theirs in a few weeks. The ball is a success, even if few of the purchasers of tickets are on the floor.

Then the day of reckoning comes. After Mr. Bunk has taken his 15 per cent he announces that his expenses have been extraordinarily heavy. He is sorry but when the money is counted out the Veterans received $300 instead of the $1,000 they expected.

But the Benefit Ball is not the only way in which the "racket" is worked. Often the organization turns its hand to the solicitation of advertising for a "Year Book" which is compiled and published by employes of a municipality or by a constituent unit of city, state or national government. The chances are that a book of this kind is not even known to the great bulk of the employes who are held out as beneficiaries.

The money in the book goes to the men who sell the advertising, who make a business of staging these "rackets" wherever a dollar may be removed from the credulous who take the name "Year Book" in good faith. Others sign for fear they may antagonize men in office, even men in subordinate positions.

These are only a few instances of the sort of graft the business man and professional man may have thrust under his nose any day. There are charities for blind soldiers and for blind musicians and the blind now and then get some of the money. There are city "directories" that are on the border-line of fakes and not to be confused with the books published by reputable organizations. In one eastern city there was a case investigated by a Better Business Bureau of a widower with a half dozen children marrying a widow with the same number. Out of the marriage blossomed a "home for children" for the benefit of which two "balls" were given each year.

More Expensive than Charity

HOW much more does American business spend each year in contributions of this sort, than for any other purpose? Nobody knows. You may make your own estimate. But that it will run into the millions is not doubted by officers of Better Business Organizations. Some of them will say that the sums thus expended are greater than the out and out contributions to charity in a year.

The solution of the problem is simple enough. All that is needed is a large increase in the production of ramrods which may be used in stiffening business backbones.

But the owners of sucker lists well understand how rare are real backbones. They do not threaten when they approach a prospect. Somehow, or other, however, a great many prospects feel that there is a club waiting for those who do not come in. As a matter of fact the organizers of the "racket" seldom have any club at all. They're bluffing, betting on human nature to help them out. And they most often win.

Developed from Dissatisfaction to do a more Accurate job

IN all the vast body of American statute law no single enactment does more for the public at large than the provision which makes it necessary for a manufacturer to state the net weight contents on every package of food or drug products.

And no single enactment has done more to awaken the manufacturer to the cumulative value of the odd pennies previously wasted in production.

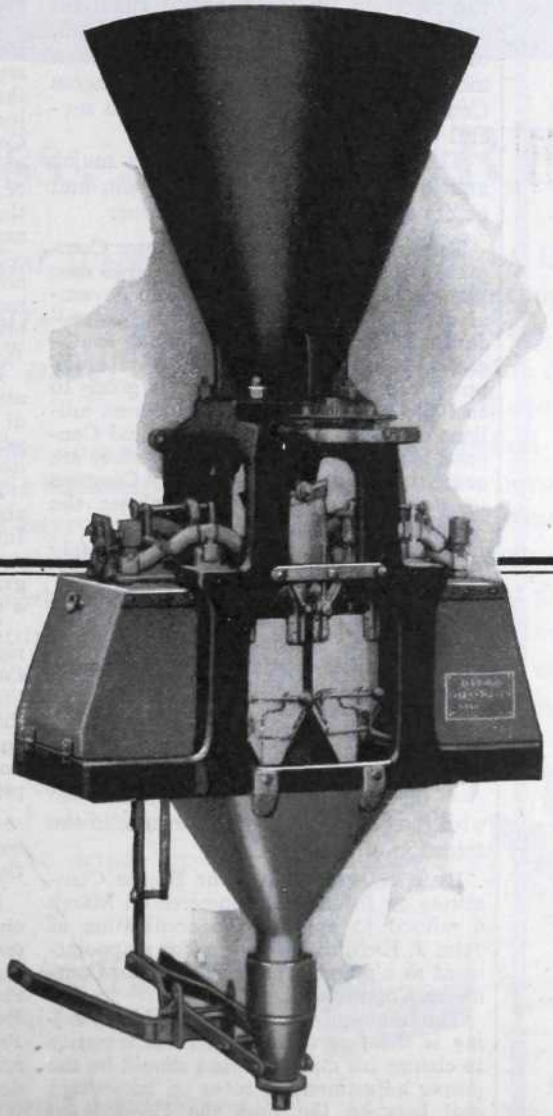
Most men are honest. Most manufacturers were putting a little overweight in each package . . . largely for fear that they might be suspected of giving short weight. But a little overweight multiplied by an entire year's packaged production frequently spelled the whole difference between profit and loss . . . and the net weight law made manufacturers count this cost.

Automatic packaging scales, as developed by the Automatic Weighing Machine Division of this Company, have very effectively overcome this disadvantage for many of the country's leading manufacturers. They automatically measure out, *to balanced weights*, and put into packages a wide variety of materials, from allspice to cement, from coffee beans to sal hepatica; quickly, accurately, and at extremely low costs.

Again AMF automatic machinery has demonstrated the fact that it is a real producing partner, developed from dissatisfaction to do a better job. For manufacturers who are interested in making machinery manufacture profits, we have a very interesting story.

AMERICAN MACHINE & FOUNDRY COMPANY

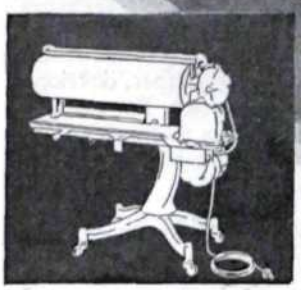
Sales Offices, 511 Fifth Ave., New York City—Works, 5502-5520 Second Ave., Brooklyn, N. Y.



No. 200
Automatic Continuous Stream Scale

AUTOMATIC MACHINERY

Wagner Motors



MOTORS
for Ironers

A new, improved type of split-phase switch is one of the outstanding features of the Wagner line of split-phase motors, Type RB.

Impervious to moisture, proof against grounding and binding, safeguarded against dragging and wearing contact, constructed of but a few simple parts, this improved switch will keep on operating without a sign of breakdown even after 500,000 starts and stops. In our laboratories, a 58 RB is still operating after a million starts and stops.

This is but one of many improvements in motor design contributing to the outstanding success of the Wagner RB Split-phase Motors.

Unbreakable and interchangeable base, leak-proof method of filtered lubrication, drip-proof end plates, rigid and unbreakable stator frame, spacious terminal enclosure—these are some of the details assuring trouble-proof performance.

Wagner Type RB Motors are representative of the new, improved lines of single phase and polyphase motors designed and built by Wagner to solve motor problems facing manufacturers of motor-driven machinery. Wagner Motors are built to outlast the machines they operate. Write for Bulletin 153.

Literature upon request

Wagner Quality

MOTORS... Single-Phase, Polyphase and Fynn-Weichsel Motors
TRANSFORMERS... Power, Distribution and Instrument
FANS... Desk, Wall and Ceiling types

WAGNER ELECTRIC CORPORATION
6400 Plymouth Ave., St. Louis, U.S.A.

44-7537-19

What Other Editors Think



Benjamin Franklin when about fifteen years old (1721) developed his style by imitating the *Spectator*

REFUSAL of the Interstate Commerce Commission to permit the railroads serving bituminous coal mines in southern West Virginia, eastern Kentucky, eastern Tennessee and southwestern Virginia to reduce rates on lake cargo coal 20 cents a ton has evoked wide comment. Connected as it is with the rejection by the Senate Committee on Interstate Commerce of John J. Esch, of Wisconsin, for reappointment as a member of the Interstate Commerce Commission, it has drawn fire from several quarters.

The *Black Diamond* devotes a major article to discussion of the decision and prints also the following news item:

Terming the Interstate Commerce Commission's decision in the Lake Cargo case "an assumption of power that no government can entrust to any commission," James D. Francis, chairman of the southern operators' committee in the rate dispute, said that "this decision is going to cost the consumers in the northwest millions of dollars on their fuel bill and Congress is going to have to decide if they are going to permit a body set up by Congress to regulate commerce, to dominate the business of the country.

"If this decision stands it will ultimately seriously affect the business of the southern coal producers and the business of this section. On the other hand there is no reason for this decision adversely to affect the coal market any further at the present time."

Esch Rejection Criticized

UNDER the heading, "Politics cracks the whip," *Coal Age* takes issue with the Senate committee because of the rejection of John J. Esch:

By a vote of 10 to 7 the Senate Committee on Interstate Commerce on March 6 refused to approve the nomination of John J. Esch, of Wisconsin, for reappointment as a member of the Interstate Commerce Commission.

The head and front of Mr. Esch's offending is the fact that he had the temerity to change his mind on what should be the proper adjustment of rates on lake cargo coal between the time the Commission denied relief to Pittsburgh operators and their allies in 1925 and granted relief in 1927. Strip the 277-page printed record of the amazing committee hearings held last month of complexities and technicalities of legal, rate and economic controversy and that is the objection which remains.

The issue, however, is much broader than any question of personalities. The issue is whether the Federal rate tribunal, which has held a place in public confidence akin to that enjoyed by the Supreme Court of the United States, is to be a body of independent judgment or the slave of politics.

This issue was raised when Senator Reed, of Pennsylvania, demanded state representation on the Commission. At that time his colleagues very properly rejected the nomination of his choice for a Commissionership, not because of any question as to the personal qualifications or fitness of the individual but because of the vicious principle involved in his nomination.

The action of the Senate committee in now seeking to bar Mr. Esch is nothing more than an affirmation of the vicious principle the Senate condemned in the Woods case.

It remains to be seen whether the Senate itself will be as craven as the majority of the committee on interstate commerce who voted against Mr. Esch because of his decision in the lake cargo case.

It remains to be seen whether the Senate is ready to indorse the idea that the Interstate Commerce Commission must consider the political pressure which litigants may invoke as a factor in reaching a conclusion.

If this is to be so, the nation has the right to expect that the Senate will have the decency to move for the complete abolition of the Commission and thereby save the taxpayers millions of dollars now annually spent in supporting an agency which no longer is in a position to exercise independent judgment.

In the Esch case the *Traffic World* sees no logical reasoning. Its belief is that:

If Commissioner Esch changed his vote on reconsideration of the lake cargo coal case for the reason insinuated by certain senators opposing his reappointment—because he thought the influence of Senator Reed, of Pennsylvania, so strong with President Coolidge that the latter would not reappoint him if he did not vote to decide this case as Senator Reed wished it decided—then he is both a knave and a fool—a knave because none but a knave would decide a case out of any such consideration, and a fool because he did not see that the thing he is alleged to have done for his own protection was the very



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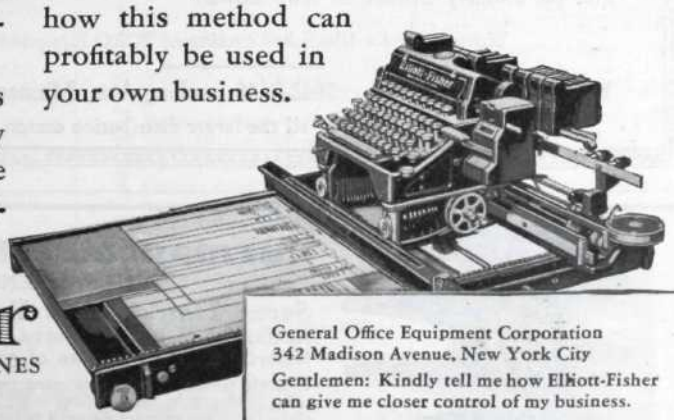
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thing that might serve to unhorse him.

Do the senators who are opposing confirmation of his appointment really think this of him? Is a man of his character, service, and ability to be pilloried before the public because he has changed his mind in a case before the body of which he is a member, and changed it in a way that does not please certain senators?

We ourselves do not think him guilty. We know of no evidence that would justify such a verdict. He was not the only member of the Commission who changed his mind and he has given a reasonable explanation for the change.

Charging that the Interstate Commerce Commission is "using freight rates to equalize prosperity," *Railway Age* supports the resolution introduced by Senator Carter Glass, of Virginia, for the repeal of the Hoch-Smith resolution:

Senator Glass' resolution ought to be passed. The recent discussion of the Hoch-Smith resolution in the Senate has arisen out of the controversy over confirmation of the reappointment of Commissioner Esch. The question which has been most mooted is as to whether this resolution empowers and directs the Interstate Commerce Commission so to regulate freight rates as to tend to equalize the prosperity of different industries.

It appears plain that the interpretation that must be put upon the resolution, if it is to be given any effect, is that the Commission, in the exercise of its discretionary authority, shall make rates as low as lawfully possible on the products of industries that are depressed and compensatingly high on those industries that are prosperous.

The Hoch-Smith resolution was passed as a political sop to the farmers with almost no consideration or discussion of the meaning of its provisions. It is the most pernicious and indefensible piece of railway legislation ever passed by Congress. As long as the Commission uses it as a reason merely for reducing railway rates and earnings, the outcry against it will come principally from railway sources, but when the Commission begins, if it ever does, to try to advance rates to compensate for reductions made under it, there will be an outcry against it which will make that recently raised seem like a profound silence.

Being Too Busy to Read Cost Executive $1,000

A PARABLE for the busy business man who has no time to study the publications that come to his desk is presented by the *National Sheet Metal Contractor:*

The competition for the business man's reading time has become so acute that many men have let themselves almost get out of the habit of reading. Even the journals of their industry or profession are wont to pile up on their desks because they are "too busy" to read them.

The result is that today hundreds of executives are busily making mistakes and overlooking opportunities because they are denying their minds and their businesses the benefit of the experience and stimulus of other men's ideas and findings.

This train of thought comes to us as the result of an experience of a New York executive last week. This man called in a well-known business counsel to advise with

him on a certain problem in his business. The "expert" told him a story of another business in a similar line which had worked out the particular problem that faced this business. That was all.

The bill was $1,000, and it was paid cheerfully, for it unquestionably pointed the right cause.

That executive does not know that the story he paid $1,000 to hear was told in a business magazine that lay unopened on his desk even while he was talking with the "expert." And he probably never will discover it, for he is "too busy to read."

Babson Expert Predicts Recession in Building

IN THE April NATION'S BUSINESS Truman S. Morgan, president of the F. W. Dodge Corporation, discussed the status of building in this country and gave reason for believing that 1928 will be a year of quickening activity in construction. H. N. McGill, of Babson's Statistical Organization, deduces conclusions not entirely in accord with Mr. Morgan's. He gives an analysis of the situation as he sees it in the *Buy-Better Bulletin:*

It is amazing the way the total volume of building has held up. Ever since 1918 building activity has gained momentum. Even though there was a slight drop last year, the amount of actual construction remains on an extremely high level. Now there are all sorts of optimistic reports concerning prospects for 1928.

There is no doubt concerning great activity for at least the first half of this year. It is high time that a little more attention was given to this important industry.

There has been too much construction. Stop for a moment and take stock of your own observations. Isn't it true that the cities which you have recently visited are complaining of an oversupply of office space?

Have you noticed that the cream is off speculative building, particularly of apartments, the owners of many of which are going begging for tenants? Around Greater Boston there has been an increase in some of our attractive suburban sections of more than 20 per cent in the number of houses to rent compared with a year ago.

The point I want to emphasize is this: We have gone through a terrific building boom. There is no such a thing as scarcity of building in any form. The truth is, there is a surplus.

Sooner or later the old law of supply and demand will get working and it will mean one thing, namely, that building activity in New England as well as in other sections will tend to fall off, perhaps not seriously so, but the total will slump.

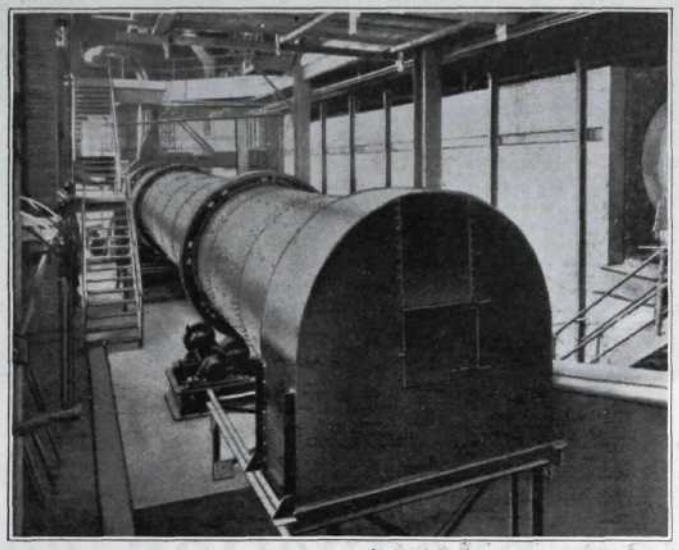
The average cost of building materials today is 67 per cent over pre-war levels, compared with around 42 per cent for all commodities. The reason this spread exists is explained in the great building boom which created record demand.

It is only logical to assume that as the demand for building material drops off later on, there is going to be a greater scramble on the part of manufacturers of building materials to get business. This in turn means the same conditions which are being witnessed today in other lines of business—keen competition, price-cutting, and diminishing profits.

I feel confident that building is facing

76% Less Labor

required to operate a Louisville Rotary Dryer



An organic by-product factory (name and address on request) used a drying device which required a number of attendants.

Desiring to make their drying process as automatic and economical as possible, they asked Louisville Drying Engineers to plan a dryer which would operate with a minimum of attention.

Following a thorough investigation of their problems, Louisville Drying Engineers designed and installed a Louisville Rotary Dryer which is automatic from feed to discharge.

Not only has this dryer reduced their labor cost 76%, but by delivering dried material *continuously* it has speeded up production throughout the entire plant. Fuel expense has been reduced by nearly two-thirds, and a huge saving in floor space has been effected. Yet quality has actually been improved.

A thousand manufacturers in more than fifty different industries have profited from the recommendations of Louisville Drying Engineers. Without obligation, they will make a study of your drying problems and suggest a dryer designed to lessen your costs. Mail the coupon for further particulars of this service and a catalog of Louisville Dryers.

5 Ways *to cut drying costs*

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3 Deliver dried material *continuously*, thus permitting of uninterrupted plant operation.

4 Cut the number of attendants needed to one in most instances.

5 Reduce the amount of floor space required as much as 80%.

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a series of downward steps from the high plane of activity through which we have just passed, and in addition, building material costs will gradually sag downward. There is going to be a lot of property on the market over the next few years and it will be cheaper to build homes than it is at present.

Government Now Owns Even Beauty Parlors

AARON HARDY ULM, writing in *Barron's* pictures the United States as the victim of "creeping government ownership." The theory of government in business, he says, is abhorrent to American minds; yet this country has taken over an amazing number of enterprises formerly left to private concerns. Expediency rather than theory has lain behind this government activity.

Communistic ideas have been forgotten, but the growth of practice has been such that,

aside from operations which are not of directly competitive kind, the Federal Government today engages in practically every sort of business known to private enterprise. It operates hotels, garages, farms, even country clubs, stores, railroads and all other sorts of transportation media, not for itself alone but for the public. If a thorough search were made, it is probable that beauty parlors would be found among the establishments operated for the public somewhere by the Federal Government today.

Less Than Dollar Check Legal in Paying Debts

ASSURANCE to the man who pays small bills by check that he is not laying himself open to fine or imprisonment is offered by the *American Banker:*

The perennial story of a United States law prohibiting the issuance of checks in an amount less than $1 has bobbed up again. This time it has attracted the attention and occupied considerable space in New York daily newspapers, where it has been treated as a discovery of importance, apparently only secondary to that of a rumor that the eighteenth amendment had been found unconstitutional.

The stories in the New York papers referred to the fact that the United States Treasury, in direct violation of the law, continued to issue checks for sums under $1. This brought protests from indignant readers, who scored the Government for its seeming indifference to its own legal enactments. Altogether the papers found the subject one of a week's sustained interest and then dropped the matter, leaving the average citizen and probably not a few bankers firm in the belief that a check drawn on a bank for any sum less than $1 constitutes a crime.

The provision of the criminal law, called for convenience the "small check law," was adopted for the sole purpose of making illegal and providing punishment for any and all attempts to make and issue counterfeit obligations, notes, checks, tokens, etc., intended to circulate as money, and was in no way intended or designed as a punishment for the man who draws a check for less than $1 for the honest purpose of paying a debt.

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Let our plants be *your* valve and rubber goods departments



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Our advisory service





Fig. 121 Jenkins Bronze Quick Opening Valve



Fig. 325 Jenkins Standard Iron Body Gate Valve

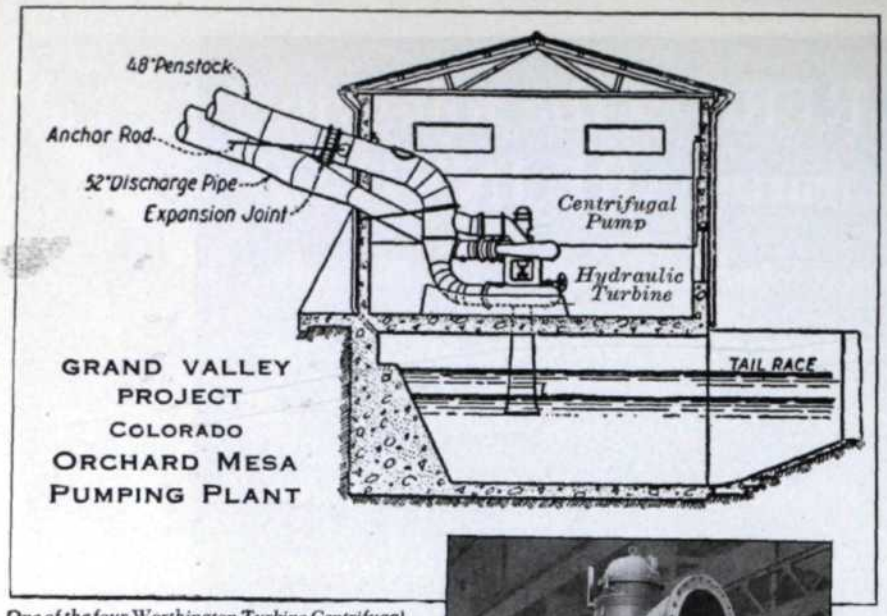
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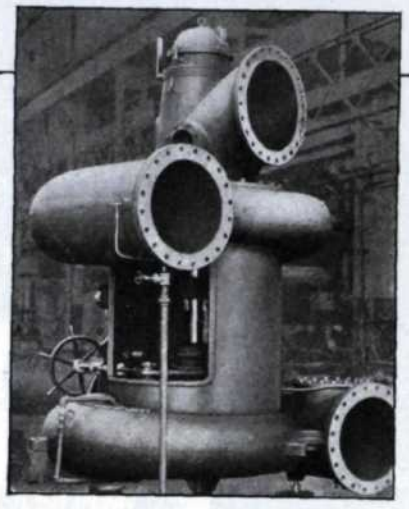
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Paying up Debts without Money

DEBTS can be collected and paid without money, the merchants of Lakeland, Florida, have just discovered. Cashing in on the idea, they have collected to date in and about the city $100,000, and the collecting is still going on.

The average man will ask how such a thing can be. These wide-awake business men have worked out a method that is easy because it takes advantage of that old plea, "I would pay what I owe if the other man would pay me."

Any collector will agree that this is the most common plea he has to face from the bad-pay person. As a result of it many law suits are filed that might just as well be left off if only those who could pay would do so when asked.

The idea behind the collections thus instituted was to collect the money through a clearing house operated among business men, without disturbing any of the money lying in the four banks of the city. Special checks printed for the occasion, size 11x32 inches, were made up with the understanding that in no event were they to be banked until the entire back of each had been filled with endorsements.

The checks are started out weekly by some member of the association and in the hands of a special committee are pushed with more the spirit of a game than anything else. Every merchant readily understands that he is not the only person in debt or in need of some supplies to be had in the city.

How the plan works out can be better told by sketching the course of one of the big checks. The first check was taken out by the president of the Chamber of Commerce, who passed it on to J. E. H. Dorsett, plumber, who passed it on to the *Evening Ledger* for an advertising bill. From the *Ledger* it went to Benford Stationery Co., thence to Hendry-Nicholson Garage, from there to the *Star-Telegram* to pay for more advertising, thence to one of the workers as salary, from him to the clothing man for a suit of clothes, next to a grocery to apply on account. At last report it had been through thirty five hands and was still going. It will not be banked until every one of its 352 square inches of surface is filled with endorsements.

As long as the plan is pushed for all there is in it, money will keep coming in. Many of the Lakeland merchants are strong for the plan to be used in their city periodically. They aver that without it they would still be nursing many accounts on the red side of the ledger that are now paid and at the same time they have paid many accounts they would have had to put off for obvious reasons. The idea will work anywhere, they believe, where the average man will admit that he is in debt and wants to play the game squarely in getting out.



They couldn't compete today

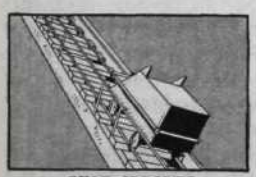
Bondsmen under the goad of the master's lash doing the task they were given . . . mere human brutes performing the work of the world! In armies of hopeless misery they harrowed and dug and hewed. Heaping effort on effort they reared the glories of empires by a titanic compounding of manual strength.

But they couldn't compete today! Their most Herculean labors would not suffice for the needs of the industries we know . . . Machines have supplanted men—and well.

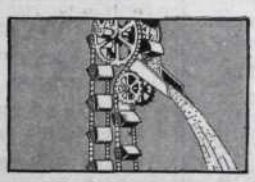
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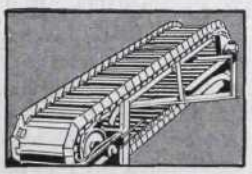
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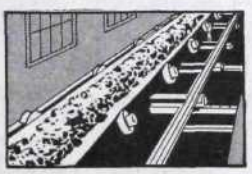
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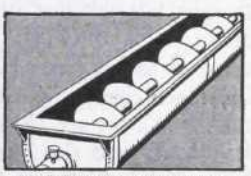
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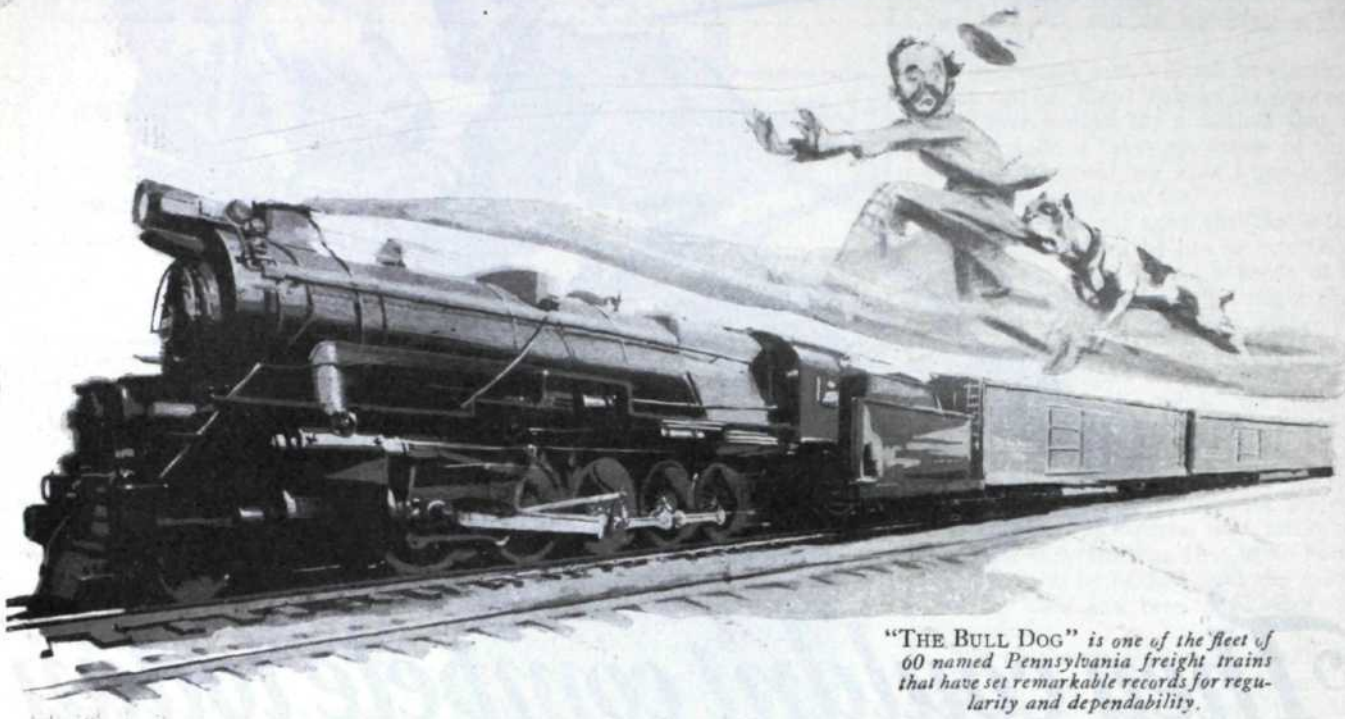


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"THE BULL DOG" *is one of the fleet of 60 named Pennsylvania freight trains that have set remarkable records for regularity and dependability.*

a freight that keeps a death grip on its schedule

THE bull dog is traditionally famous for a viselike grip that refuses to be shaken off. The throats of other dogs, miscellaneous chewed bones, and the trousers of many itinerant hoboes bear mute testimony to the power of the bull dog's jaws.

Speaking of dogs, it would be hard to find a better one than "The Bull Dog" of the Pennsylvania. This big freight carrier not only exercises a strict vigil over the property entrusted to his care, but he has sunk his teeth firmly into the record bag and won't let go. Many times rain, fog, hail, and the like try to shake him off, but he keeps a death grip on his schedule and brings in his cargoes regularly and dependably on time.

"The Bull Dog" operates between Akron, Ohio, and Eastern Markets. He leaves Akron daily a little after midnight and by dawn he is hot footing toward the sunrise.

In addition to a great deal of merchandise of a general nature this train carries large quantities of rubber goods manufactured in the "Rubber City" and vicinity to Eastern destinations.

Month after month "The Bull Dog" has clung tenaciously to his schedule. Guided by vigilant train crews, and supervised along the route by hundreds of men whose business it is to get the trains through on time, this important carrier has established the reputation of being one of the most reliable performers among the Pennsylvania's "Limiteds of the Freight Service."

Shippers:

Are you giving the man who routes your freight the time and opportunity to effect the economies, contribute to the new business strategy which in many industries is considered the most important development since Mass Production?

The Industrial Traffic Managers of many organizations have been instrumental in the speeding up of turnover—in the reduction of inventories—and in the opening up of new selling territories to which improved freight transportation has given them access.

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LISTENING IN ON CONGRESS

Our observer rescues from oblivion some flights of wit and fancy overlooked by the more serious-minded press

Of Government Up In the Air

MORE AIRPLANES for the Department of Commerce are being suggested before the Appropriations Committee of the House, and the Chairman wants to know: "What do you want with 10 airplanes? Are you going into the airplane business?"

MR. YOUNG. To carry on inspection work, the regulation work, and the enforcement of our traffic rules.

THE CHAIRMAN. I do not think you need 10 airplanes. I think you ought not to have over five.

MR. YOUNG. We find need for more than 10, sir.

THE CHAIRMAN. Of course, you would find need for more than the Army has, if we would let you have them. That is the way with all of them. The Department of Agriculture would want 10 today and 50 tomorrow; the Department of Commerce would want 10 today and 100 tomorrow. The Navy wants them; the Army wants them; and everybody wants them. They can not walk any more and they can not ride on the ground. They have got to go up in the air.

You can send inspectors out on trains. You might send an inspector out into the field where you are going to have an examination, for example. A good many people assemble where you have these examinations, I assume.

MR. YOUNG. Sometimes.

THE CHAIRMAN. Then your inspector comes in, riding in his plane, tooting his horn, and making a show, and he gets an unfavorable wind and tips over and destroys the confidence of all the people in that section of the country in the ability and management of the air service; whereas if your inspector just jumped on the train, got off at the railroad station, took an automobile, or walked over to the field, they would not know whether he knew anything about it or not, and he could look as imperious as he liked.

Of Lame Ducks and Fresh Ducks

MEASURES for shooing out lame ducks in short order after the biennial November elections were getting attention in the House, when Mr. Tucker (Va.) was heard from. "I stand here as the defender of lame ducks," he said; "I have been one myself.

"Lame ducks! Why, I remember in 1892, after the McKinley bill had been passed, we Democrats thought a political millennium had come—there were so many vacant seats on the Republican side. I saw a drove of lame drakes go out of this House—you have to be pretty careful these days in your language.

"I saw heading that list a man whose memory I love to cherish, as fine a man as God ever permitted to live—William McKinley. I saw him walk out of this House. You know that ducks always march in a long row one after the other. He was leading them, and who do you suppose was bringing up the rear? No other than my noble friend—I had almost said the patriarch of the House—whose wisdom and learning we always enjoy, Theodore Burton, of Ohio, and in between was old Uncle Joe Cannon, Julius Caesar Burroughs, and God knows how many more.

"Four years after that time I saw President McKinley come into the Capitol as President of the United States, and I went to hear his inaugural, and a little later there was another distinguished lame duck from Ohio, Nicholas Longworth."

MR. SIROVICH (N.Y.) There is another duck who should be considered. He is none other than the "fresh duck." I am one of those. I think we owe a duty, a greater duty, to the "fresh duck" who comes in here imbued with high ideals and enthusiasm and devotion to his country than we do to the lame duck who has been defeated and repudiated by his fellow citizens at the last election. The lame duck is the wounded soldier who should be taken to the rear and placed in a hospital where he belongs. But we should give an opportunity to the "fresh duck," like myself and others.

Of Diplomats and Dogs

MR. HOWARD (Nebr.) was remarking on the journey of himself and colleagues to participate in the Interparliamentary Union at Paris.

"You know they had 22 interpreters and stenographers over there, said to have ability to interpret every language spoken. But oftentimes we were denied our requests for interpretations, and once I became angered. I am ashamed of it. A Quaker should never become angry. But I was angry for a moment, and so I spoke in the Santee Indian language for another minute, and immediately after I had spoken all of those interpreters and stenographers gathered around me and said, 'The copy, monsieur?' I told them to find it.

"I am speaking now from the standpoint of a diplomat, and I want you to know and I want my French friends to know that I speak criticizingly not at all, but thanking every one of them for all the courtesies conferred upon us."

MR. MADDEN (Ill.). And I suppose a diplomat is a man who uses words to conceal thought; is that the purpose of the gentleman this afternoon?

MR. HOWARD. Not exactly. I trust my language from this time on will be so clear that my ordinarily alert friend from Illinois may have no trouble at all in understanding it.

During the month of August last, 150 people were killed by automobiles on the streets of Paris, and yet no child among them all. When you see a person start across the street in Paris carrying or leading a little child, all traffic stops as if by magic. Little children are scarce in Paris. They do not have as many of them as they used to.

I like that sweet consideration for little children as I saw it, but I did not always like the consideration they gave the dogs. With one of my colleagues I was at breakfast one morning in a prominent cafe, and near our table were two French ladies, and each had a dog. One of the ladies had a little chair, like the baby chair in American homes. Her pet dog was in the baby chair and she was feeding the dog. She would take one morsel from the fork and the dog would take another. The other lady held the dog in her lap.

Of Voting "No" and Being Right

A BILL had been reported from the Interstate and Foreign Commerce Committee to "provide for coordination of the public health activities of the Government and for other purposes," and Mr. Huddleston (Ala.) was allowed an hour by the Speaker to oppose it. "I really know very little about this bill," said Mr. Huddleston. "Perhaps there are those who will say that is why I am opposing it. It may be that they are right, but I prefer to believe that I oppose it out of my natural conservatism and my hidebound distrust of new things. Not long ago I remarked to a fellow member of my committee, who is also an ironclad conservative, that the reason why he and myself were not oftener together in our views was that he threw back to 1890, whereas I threw back to 1820.

"One of my sayings is that practically

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everything that Congress does is wrong. If a member should choose to come into this House at roll calls and vote 'No,' 'No,' 'No,' on every roll call, he would bat at least 900, possibly even 999, out of 1,000.

"If ever there was anything that was done in Congress which was altogether right, I do not know what it was. Certainly nothing of the kind has occurred since the Republican side went into power. I do not even mean to say that we are trying to do right.

"That is the way all bills are passed. Old man Vox Populi is busy at home trying to make a living—Sans Culotte is driving nails or holding the plow—they are not organized, no high-priced lobbyist speaks for them."

MR. DENISON (Ill.). The gentleman speaks of all that has been done since he has been in Congress as having been done wrong.

MR. HUDDLESTON. I qualified that by saying "since our friends on the Republican side came into power."

MR. DENISON. Does the gentleman think anything right was done by Congress before he came?

MR. HUDDLESTON. Seriously, since I have been here and have seen the influences that are at work and the pressure of selfish interests that is brought to bear upon Congress and have seen how helpless Congress is in the face of this coercion, I doubt very much that anything is ever done with an eye single to the general welfare of the people of the United States. What we do is wrong, of course, because we do it under the influence of party spirit, in order to win at the next election, or under the influence of some organized interest that promises to make our future secure as Members of the House.

MR. DENISON. Does not the gentleman think some of these influences are organized for the public good? For instance, take the American Federation of Labor.

MR. HUDDLESTON. The American Federation of Labor is organized to protect the interests of wage earners.

MR. DENISON. Is not that a good purpose?

MR. HUDDLESTON. Not more so, perhaps, than an organization of employers of labor. These organizations do not represent the public. How is it possible for a man of the gentleman's intelligence to ask such a question?

Of Steak, and Rabbits and Jack

MR. LAGUARDIA (N. Y.). There is not a woman in New York City who is keeping house that needs to have the brand of the Department of Agriculture to tell her whether meat is prime meat or choice meat or good meat. She knows it.

MR. SUMMERS (Wash.). I will admit that the housewives in New York City are brilliant, but that does not conform to the situation over the country.

MR. LAGUARDIA. If the increasing price

of meat continues, I will tell you now that we are going on a meat strike in New York. We will stop eating meat for a while.

Mr. Dickinson (Iowa). Oh, no; eat pork.

Mr. LaGuardia. No; they can not eat pork in my district, and the gentleman knows it. You can imagine how gratified the people of New York City and other cities will be tonight when they go home and read this release from the Department of Agriculture for publication March 3, 1928, which will tell the people of New York City, "Do not worry—no more high cost of living—we are going to furnish your tables now with good, wholesome meat. We are experimenting in the development of the jack rabbit." We ask for juicy steaks and you give us jack rabbits. I will tell you agriculturists—and I have said this before—you have simply got to cooperate with us, because some day the people who are paying this $133,000,000 are going to stand up and put up a real kick.

Mr. Shafer (Wis.). Do not the constituents of the gentleman ever eat jack rabbits?

Mr. LaGuardia. Give us steak.

Mr. Shafer. I notice a great many of your French citizens do.

Mr. LaGuardia. We are asking for steak.

Mr. Strong (Kansas). The gentleman is after the "jack," not the rabbit.

Mr. LaGuardia. That is what you farmers are trying to get.

Mr. Strong. Yes.

Mr. LaGuardia. But God help the poor farmers if you do not put up a better showing than you have been putting up here. You have been fussing over an agricultural relief bill and you do not know what it is all about. You brought in here a bill that you could not agree on amongst yourselves and you do not know now what you want.

Mr. Strong. I do not think it is fair to let the gentleman from New York with all the brains have all the time.

Mr. LaGuardia. Mr. Chairman, I hope the gentleman from Kansas will not charge the gentleman from New York with the responsibility for something that nature has attended to.

Mr. Strong. I am glad the gentleman admits it.

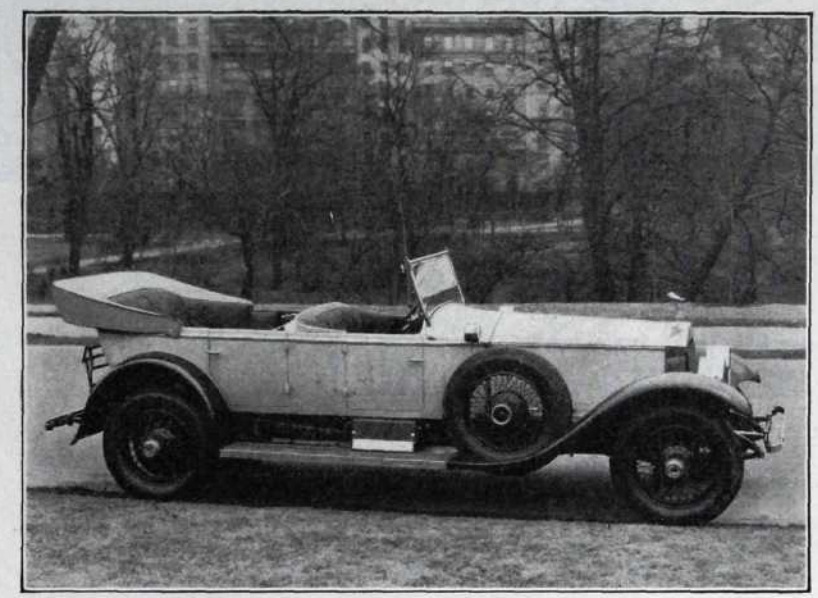
Mr. LaGuardia. All right; assume that all the stock manipulators and gamblers and commission merchants are in the cities. You had an opportunity not five minutes ago to line up against them by voting for my amendment but you did not do it. The gentleman from Kansas will have to avail himself of a ruling made by the Speaker and fix up his remarks or he will have to do some explaining if he does not.

Mr. Strong. I expect to let my remarks stand.

Mr. LaGuardia. Well, the gentleman better sleep over it.

Mr. Strong. All right. I sleep pretty good; farmers always sleep well.

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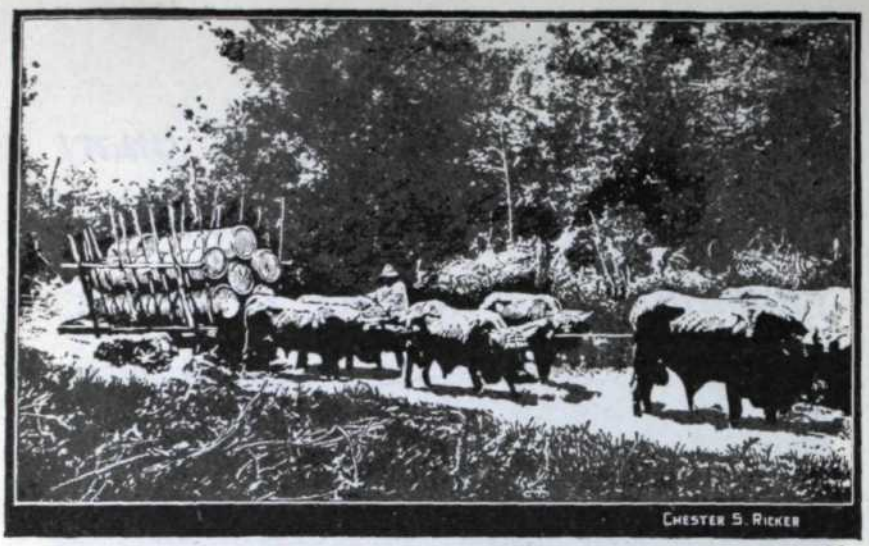
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Are We Slighting Modern Egypt?

(*Continued from page* 45)

and wool, not to speak of oranges, dates and figs. It sells raw materials and purchases manufactured articles. It must buy the latter somewhere. If America fails to get an adequate share of the available business, it is its own fault.

America refuses to look upon the richest valley in the world as a trade objective, worthy of independent examination.

It insists upon linking up Egypt with Europe, Asia, or Africa. It is possibly dissatisfied with Europe, afraid of Asia, and ignorant of Africa. It, therefore, passes up an incomparable market.

Thoroughly Dry Country

EGYPT is dry. Mohammed made Islam arid in A. D. 623. The overwhelming majority of the 14,000,000 inhabitants of Egypt respect this God-ordained prohibition law. The prevailing climate of Egypt is hot. It is as devoid of moisture as is the law of the land. It is, therefore, obviously the paradise of the soft drink manufacturer

Egypt interests America as the home of archaeology, the possessor of a delightful winter climate, and the inventor of the can-can. It means nothing to the American business man—in a business way. And yet it is commercially a tail to no nation's kite. It is an untouched market, a rich market and a growing market. No man interested in foreign trade can afford to neglect Egypt. If he does, it is because his vision is circumscribed by frontiers. He is in the foreign market because he cannot keep out of it. It is not his foresight but circumstances that have made an exporter of him.

Wall Street's Heart

MORE than an item of financial news is in the fact that J. P. Morgan & Company marketed for the State of Vermont $5,000,000 in flood rehabilitation bonds at 3¾ per cent interest. These bonds were bought at par and interest. They were sold at par and interest. The house of Morgan and the brokers who ordered bonds from it for sale gave their services without fee or profit. Their satisfaction was the feeling that they were able to do something toward hastening a community's recovery from the crushing impact of a great calamity.

This evidence of humanity may be disquieting to those who continually charge Wall Street with heartlessness. The arraignment certainly is not convincing on such a showing of promptness in recognizing and honoring an opportunity for neighborly helpfulness.

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are too frequently the toll exacted of industry by large centers of population. Wise manufacturers are awakening to the necessity of placing their factories in less crowded environments.

The small town now makes its bid for industrial recognition. Widespread distribution of electric power and the development of fast freight have given it an industrial status comparable with the big city. The way is cleared for industry's realization of the distinct advantages of small town factory sites: lower living costs and therefore lower labor costs, lower taxes, cheaper land, ample room for expansion, and in many cases less crowded shipping facilities and closer proximity to raw materials and markets.

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MIDDLE WEST UTILITIES COMPANY

What the World of Finance Talks Of

By MERRYLE STANLEY RUKEYSER

THE OIL SCANDAL has been deplored chiefly because business men corrupted Government officials. The effect of the Teapot Dome incident on business itself, it seems to me, is equally unfortunate. It tends to impair public confidence in the good faith of business leaders and in effect to undo the constructive effects of millions of dollars of advertising.

The incident is at variance with the newer doctrine that the present generation of business leaders are purer, better, and more public spirited than the Daniel Drews and the Goulds of an earlier period of American big business. It casts doubt on the widely exploited theory that higher ethical standards have been accepted by business leaders.

Personally, I think that there is among the better grade of business executives a new appreciation of the social aspects of business. I believe that many of the more enlightened men of business regret the corrupt tieup between public officials of low morals and corporate heads of no scruples.

But the significant fact is that singularly few business leaders have had the courage to give voice to their convictions. This has been ascribable partly to the fact that they wanted to give the accused men their day in court before prejudging them. Yet Doheny and Sinclair were unanimously re-elected as directors of the American Petroleum Institute after the Supreme Court of the United States had declared that they had taken part in a "fraudulent" deal in connection with the naval oil land leases. The Maryland race tracks were less tolerant of Mr. Sinclair's alleged sins.

Inside the industry only John D. Rockefeller, Jr., who tries to square his business acts with his Sunday morning sermons, has spoken out boldly. He publicly rebuked Colonel Robert W. Stewart, chairman of the board of Standard Oil Company, of Indiana, for refusing to answer the Senate Committee's inquiries, and at the last election of the company he declined to vote for or against Colonel Stewart. He used the big stick gently, and a spokesman for Mr. Rockefeller later explained that he was investigating the facts and would use stronger tactics so far as his own votes in the corporation were involved if there seemed justification.

This expression of policy seemed to mean that Mr. Rockefeller cared to go no further if Colonel Stewart's sole offense was a refusal to answer the questions of inquisitors. Soon after the Midwest Refining Company, a subsidiary of the Standard Oil of Indiana, announced that it had accepted the resignation from its directorship of Harry M. Blackmer, absent witness in contempt. There seemed to be some connection between this withdrawal and the public expression of Rockefeller policy.

Even though John D., Jr., acted timidly, it seems to me that he has heightened the Rockefeller reputation for public spiritedness. Incidentally, the rise of the Rockefeller family in public esteem in the last two decades has been one of the striking changes in public opinion. As an active business man, the elder Rockefeller was widely hated, and the wrath against him was popularly exploited in newspaper cartoons and journalistic jibes.

Through extreme wisdom in giving and through extension of the scientific spirit to the field of philanthrophy, the Rockefellers have gradually created the widespread impression that they are public benefactors.

John Jr., who has always been more interested in social and in spiritual things than in rolling up more profits, has contributed largely to the development of a new style Rockefeller legend. In the oil scandal, Mr. Rockefeller has proceeded far in seeking to build up the impression that his high-minded speeches were more than mere talk, and yet in his refusal to act precipitately he has gone out of his way to show that he had no intention of needlessly sacrificing business associates to exploit his own reputation as a friend of the people.

More than three years ago Frank A. Vanderlip, retired president of the National City Bank, New York, spoke out courageously against the malefactors. But he was ahead of his time, and he only turned wrath upon himself. Obscure and unimportant men denounced Mr. Vanderlip, and expressed a repugnance of serving on corporate directorates with him. Accordingly, Mr. Vanderlip, at a sacrifice of his personal interests, forthwith resigned from the directorates of numerous corporations. A man, who is unwilling to talk like a phonograph record, sometimes has to bide his time and wait for vindication.



PROFIT-SHARING PLAN

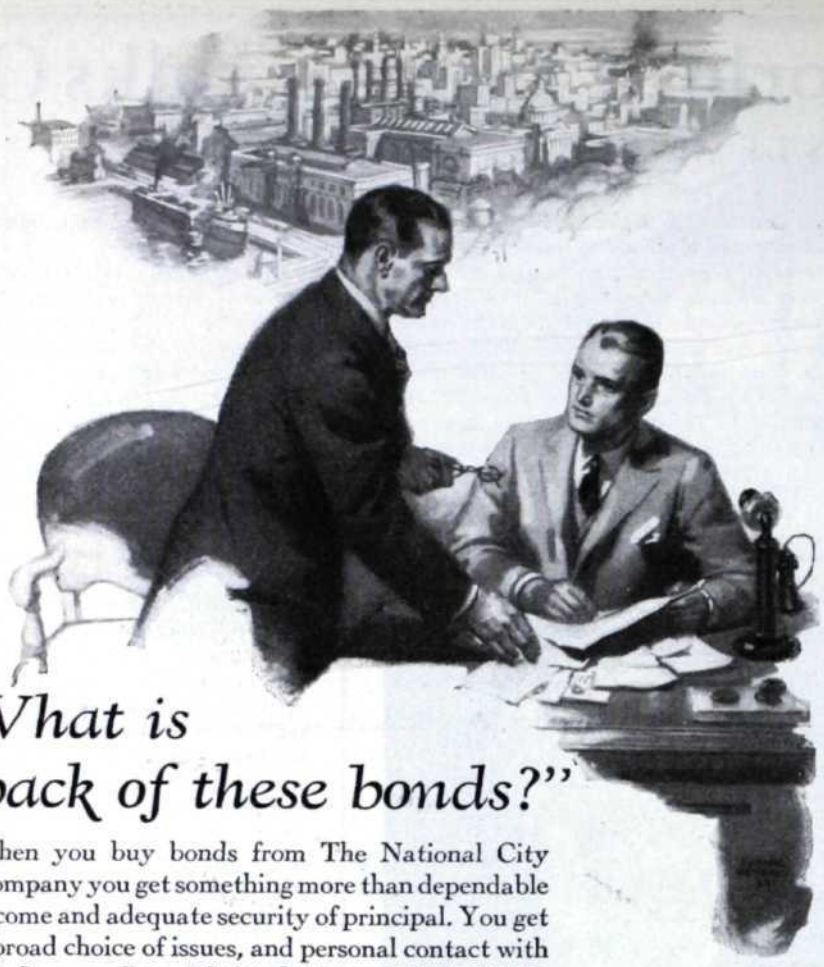
FORTY YEARS ago Colonel William Cooper Procter started a profit-sharing plan in the Procter & Gamble Company.

During 1927, 4,500 employes throughout the United States and Canada received dividends of more than $700,000

HEADS of large corporations, with whom I have discussed the matter, are of the opinion that recent revelations in connection with the relation of the Republican National Committee to the oil scandal have heightened somewhat the questionable and hitherto forlorn prospects of the Democratic Party.

The president of a huge industrial corporation, who is in a singularly good position to keep his ear to the ground, said to me, "The election of Alfred E. Smith as President would not be harmful to business sentiment, provided a Democratic Congress were not elected with him. However, a Democratic Congress would arouse a certain amount of uneasiness among business men, who would be disturbed that there might be an attempt to stir things up, particularly in respect to anti-trust laws and the tariff."

The Cleveland Trust Company bulletin, however, several years ago presented data which purported to show that in forty years neither the Republican nor the Democratic Party had revealed any monopoly in prosperity. Although doubts will reach a peak between June and September before the outcome of the election can be clearly



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foreseen, I do not believe that politics will constitute a major factor in the current business cycle.

ON THE other side of the ledger has been the experience of Dwight W. Morrow as ambassador to Mexico. Politics in this instance is indebted to private enterprise for a singularly able figure. The former partner of J. P. Morgan is a lawyer by profession. He is also a scholar and a gentleman, as well as a banker.

The recent agreement between him and President Calles regarding the ten-year-old controversy in respect to the retroactive character of the provision of the new Mexican constitution affecting holdings of foreign oil companies is an example of the fruits of a new type of diplomacy. Business leadership is based on the attainment of definite objectives, whereas politics too often is hindered by insistance on doctrinaire theories.

Mr. Morrow set out with the belief that agreement was the job to be performed, not insistence on technicalities or adherence to vague dignities. Mr. Morrow, classmate at Amherst of Calvin Coolidge, is a brilliant, liberal man, whose continued activities in public life will no doubt build up the prestige of the business man.

A. P. GIANNINI, California banker, has startled the financial world by his recent coup in the Bank of America. It is reported that he came into Wall Street at the suggestion of extremely influential financiers. He broke the deadlock between the Delafield and Jonas conflicting groups in the bank by buying out Ralph Jonas's stock at $510 a share. The group, headed by Edward C. Delafield, president of the bank, had long been ready to pay approximately $375. To the officers of the bank, Giannini's bid at first seemed high, but within a month the price of the bank stock in the open market was twice that figure.

One of the adversaries of the group that sold out said that the bank stock was selling ex-Jonas. The rise might more probably have been a recognition that the bank was at length free of a costly internal row, and also of the fact that the Giannini control would bring important new business contacts. The upturn was purely speculative in character, discounting future possibilities.

Giannini's rapid advance in the last two decades as the foremost chain banker in California is an oft-told tale. Of late, he has expanded his operations so rapidly that the conservative long heads have begun to view his activities not without a show of alarm. In the East, banks have declined to accept the shares of his holding company, the Bancitaly Corporation, in loan envelopes at the customary ratio of market value.

Meantime, the stock has doubled in value, and their conservatism, if not wrong, was certainly premature. Giannini himself has gone out of his way for months through the issuance of public

statements of warning and through holding down cash dividends to discourage public speculation in Bancitaly shares, but advices of caution have seemed only to fan the flame of speculation.

The rise of Bancitaly Corporation, which holds many high grade industrial and bank shares, has been a reflex of the general upturn in junior issues. The rise of the Giannini interests has been far too rapid to be termed normal, and yet Giannini's strength lies in the fact that apparently he and his concern are not in debt. The holding company trades on shareholders' capital, not on borrowed funds. Emotional buying by Italians in the United States has contributed substantially to the demand for the stock, though 100-per-cent Americans too have been not averse to making profits through that medium. At recent levels the stock must be regarded as highly speculative.

The Bank of American coup gives Giannini one of the oldest and, with the new capitalization, largest financial institutions in Wall Street. Mr. Giannini left the newly acquired bank largely in the hands of former executives, and returned to the Pacific Coast. The California financier told his new colleagues, "My job is to pick men."

Queried as to whether he would spend more time in Wall Street than in the past, Mr. Giannini is reported to have answered, "I will find it necessary to come East only if I want to fire some one." When one of the senior officers asked him for instructions as to new policy, he laconically remarked, "Make money."

LAWRENCE CHAMBERLAIN, until recently chairman of the educational committee of the Investment Bankers Association, representing the economic fundamentalists, takes Edgar Lawrence Smith, representing the economic modernists, gently to task for confusing the words "investment" and "speculation." Mr. Chamberlain's classic notions about the supremacy of bonds as investments were challenged by Mr. Smith's thesis, "The Common Stocks as Long Term Investments," in which Mr. Smith argued that common stocks over the long run proved most desirable.

"Common stocks, as such," insists Mr. Chamberlain, in *The World's Work*, "are not superior to bonds as long term investments, because primarily they are not investments at all. They are speculations. If that statement begs the question because it all depends on what one means by investment and speculation, then we may revert to fundamentals and revivify our concept of investment from the approach through gambling and speculation, laid down in 1911 (when Mr. Chamberlain wrote his standard book on the subject), which we have not known to be attacked.

"'Many would divide the efforts by which money is made to earn other money into three kinds: gambling, speculation and investment. It would be

The Government Sold the Ships

A GREAT LAKES warehousing company foresaw larger earnings if it could, at reasonable cost, enlarge its facilities for inter-terminal freight. An opportunity arose when the U. S. Shipping Board offered for sale its surplus 4,000 ton steel vessels. The Company had cash to buy four ships but the necessary reconditioning for Great Lakes traffic would cost $500,000 and shipbuilders do not ordinarily grant long term credit.

A Special C. I. T. Plan

was arranged to meet this special credit need. The Company bought the ships and C. I. T. advanced the funds to pay for the reconditioning, taking ship mortgages payable in monthly instalments. Result—the government disposed of four ships, the shipbuilder was paid cash, the Company put the ships into service and the mortgage payments did not exceed $3,500 per ship per month.

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Special transactions such as this ship financing operation reflect C. I. T.'s willingness to help solve out-of-the-ordinary credit problems. It has the resources to extend credit lines in the thousands or the millions of dollars.

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well, if possible, to come to some general agreement as to the division lines, for then much blind legislation and several economic fallacies would be done away.

"'The distinction between gambling and speculation is ethical rather than economic. Both gambling and speculation are dealing in futures: and the difference between them is the difference in motive, and in the degree and character of the risk involved in pursuit of the gain. . . .'"

THIS distinction seems adequate to me. I think the essential difference between gambling and speculation is whether economic or non-economic risks are entailed—not in the manner or degree of plunging on the part of the operator.

"'Just as the graduation from gambling to speculation is imperceptible,' continued Mr. Chamberlain, 'and there is no hard and fast line of demarkation, so speculation, as it avoids chance to a greater degree, in pursuit of more certain, if possible more modest opportunities for gain, graduates imperceptibly into investment. . . .

"'There is nothing invidious in a comparison of investment and speculation. Each is necessary to the other, and both to the conduct of business. There is more or less speculation in every investment, and investment in every speculation. But in the large, investment is a science, and speculation is an art.

"'Since the assumption of risk is a necessary and highly beneficial service when performed by those qualified to undertake it, the distinction between speculation and investment is not primarily ethical. Speculation and investment are actuated by the same motive: desire for gain; the difference between them is the difference in degree of risk to be assumed willingly. This risk finds its most patent expression in the ratio of current return expected of the capital.

"'The chief requisite of a perfect investment is a maximum of security for the invested capital. If it is certain, humanly speaking, that the principal will be returned when demanded, or at a time agreed upon, or that it can be converted at will, or at a fixed time, into some equivalent form of wealth, equal in value and equally satisfactory to the lender, then the principal is secure. There is one, and only one, word in the language to designate the employment of funds in accord with these requirements. It is the word 'loan.' . . . In fine therefore, the perfect investment is a promise to pay: it is always a loan.'"

KENNETH VAN STRUM, who is on the same side of the fence as Mr. Smith, attacked this conception of investment by pointing out in his "Investing In Purchasing Power" that, with a fluctuating dollar, the lender, who may get back dollars of purchasing power, does not really get "some equivalent form of wealth, equal in value and equally satisfactory to the lender." The lender gets

back gold, or its equivalent, and the purchasing power of gold has in recent decades been subject to wide fluctuations.

IRRESPECTIVE of the ultimate victory of the two opposing schools of thought, it is a matter of record that since 1922 the American financial public has become increasingly impressed with the desirability of common stocks as a long term "investment." The new vogue for investment trusts in part springs from the desire for expert guidance in the selection of common stocks, which constitute a large share of the holdings in the portfolios of investment trusts.

SINCE the lid blew off in Wall Street, the Stock Exchange has been compared with Monte Carlo. Apart from the issue as to whether the recent buying has represented gambling or speculation, the comparison seems invidious. In volume of activity, the Casino at Monte Carlo, as compared with the New York Stock Exchange, is a little speck of water in the Great Lakes.

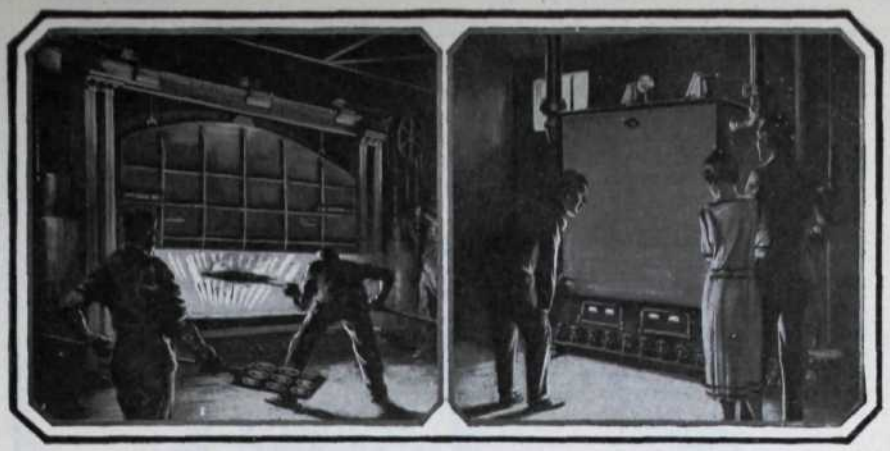
Has the recent spell of frenzied, unreasoning, emotional buying of securities been gambling or speculation?

The words "gambling," "speculation," "investment" are commonly loosely used and interchanged. If finance is to become scientific, each should have a unique meaning. Investment and speculation alike entail the assumption of economic risks related to the conduct of business. An investment is based on a search for safety of principal and assured regularity of income. A speculation is based on the expectation of an increase in principal, or a profit.

In practice, motives are usually mixed, and many investors are partially influenced by speculative motives. On the other hand gambling represents the assumption of uneconomic risks, which are unrelated to the conduct of business. Whether a flipped coin will land on the head or the tail, or whether one horse will run faster than another are examples of gambling risks, which it is not necessary for any one to assume. Whether the wheat crop will be large or small, on the other hand, is an economic risk—which some one, the farmer, the miller, the speculator, or the state itself must assume.

A common fallacy is the belief that an operation based on impulse and hearsay rather than on study and analysis is gambling. Race track gambling, as a matter of fact, is frequently based on a conscientious survey of the past performances of horses, on careful observation of animals during preliminary workouts, and on long experience. On the other hand, high grade conservative investments are made frequently on the flimsiest grounds—merely because the buyer has heard that some one else has approved the issue.

From this standpoint, when and if speculation becomes erratic, stupid, dangerous, unsound, and ill advised, it is still speculation, nevertheless—and not



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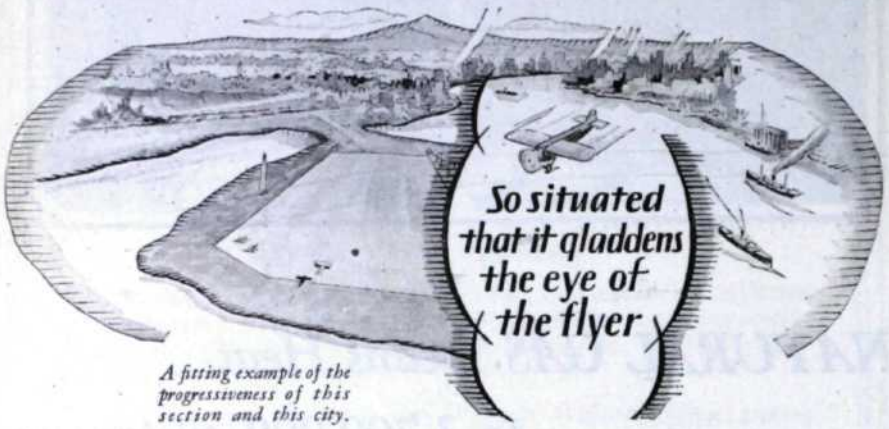
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Quick to sense this need, Portland has given to aviation the Airport of the Port of Portland. A whole island, more than 4,000,000 square feet of unobstructed, level turf set in the Willamette River, visible for miles around, connected to the mainland by a constructed isthmus over which traffic passes. At one side of the island is a deep basin for seaplanes.

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gambling. Psychologically, speculation and gambling spring from related human impulses. Gambling is an age-old means of escape from the drab life. It is a device whereby those of low sensitivity and stunted imagination set up artificial hazards in order to get a "kick" out of life. It also may be looked upon as an outlet for the office worker or bank clerk whose daily routine is the quintessence of monotony and whose spirit craves the elemental excitement that once was the heritage of primitive man.

IF ANY investor should legitimately prefer bonds to stocks, the financial institutions, such as savings banks and life insurance companies, whose obligations to patrons are dollar obligations, are the ones to do so. Yet in the passage of the recent Wales-Merriam Act, the New York Legislature has admitted high grade preferred shares to the list of securities eligible for the funds of mutual insurance companies.

The liberalization springs from the need of new outlets. Capital has been accumulating in the hands of the great institutional buyers faster than ever before. In spite of the record-breaking creation of new security issues, the demand has expanded faster than the supply. The institutions accordingly have been bidding up against themselves the market for eligible issues.

The new provision gives them a wider field. They can buy preferred stocks of companies that have for five years earned at least four per cent annually on their entire capital stock.

If the trend of long term interest rates continues downward, the legalization of preferred stocks should mean that they will no longer be available at the quotations prevailing when the law went into effect late in March.

Preferred stocks in recent months have been offering a larger current return than either high grade bonds or the best grade of common stocks. In the case of bonds, the investor pays a price for better legal safeguards, and in the case of common stocks for the theoretical advantage of participating in unlimited future growth.

Unless the preferred shares are convertible or participating—and most of them are not—they get only a restricted participation in profits. Accordingly, they are interesting primarily to those in search of substantial current return, which is necessary for widows, orphans, and retired folk who are living on their income on investments.

POINTING out that the new Wales Act would be advantageous to policy holders in tending to increase the investment yield of mutual insurance companies, Frederick H. Ecker, first vice-president of the Metropolitan Life Insurance Company, said:

"The trend of interest return on good securities is downward, and a widening of the field of investment tends to hold it from further decrease.

"This law sets up a standard of quality

that will give opportunity for investments in the classes named, which are entitled to as high a credit rating as investments heretofore legal.

"The Wales law gives no opportunity for life insurance companies to engage in stock speculation, since the statute's limitation permits the purchase of not to exceed 10 per cent of the stock issued and outstanding of any one corporation and the insurance company investing can put only 2 per cent of its assets in the investment."

THE general public will be better off when it becomes more receptive to the well equipped life insurance agent and more critical toward the stock salesmen.

Frequently the best insurance is that on which the policyholder collects nothing. I carry fire insurance on my home, and am protected against the hazard of fire. Having had no fire, I have collected nothing, yet I do not figure that my premiums were frittered away. Insurance is intended only for indemnification against loss, and, if there should be no loss, the insured should congratulate himself on his good fortune. The wise man insures himself against potential risks of the future, and, if he escapes them entirely, the insurance company gives him nothing tangible for his premiums.

IT SEEMS to me that the average man should buy life insurance with these fundamentals in mind.

Life insurance is too generally bought with the expectation of getting something back, irrespective of contingencies. Accordingly, the aim of insurance has been wedded with the objective of investment and saving.

The mixing of motives is all right, except where it prevents the insured from buying enough coverage to protect his dependents. And the average man is underinsured.

Term insurance is pure insurance, without investment features. It is the ideal form of coverage for limited periods and special needs. Convertible term is frequently suitable for the young married man of small means who needs large coverage, and who expects in five or ten years to be able to pay for more expensive policies.

Ordinary life policies are best suited to common insurance needs. Twenty payment life and endowment policies entail payment of larger premiums for a score of years with no additional benefits in case of death in the meantime.

Although ordinary life policies are basic, they are not always the best adapted to meet individual needs. The young man with an aged and dependent parent can most economically meet that obligation through a survivorship annuity, such as the more progressive companies are now writing. In this way, he can fully protect his parent against the hazard of the death of his means of support for one quarter of the cost of an



"I have just purchased the following bonds.

Are they suitable for me?"

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What Bonds Should You Buy?

We see almost daily the hardship and worry which result from buying the *wrong* types of *good* bonds. Business men, with opportunities lost because they cannot readily raise money on their bonds. Widows, with inadequate safety because they hold "business men's bonds." Estates swallowed up by inheritance taxes because of the wrong kind of investments.

Your choice of good bonds should depend on two things:

[1] Yourself

How old are you? What are the source and size of your income and your annual surplus for investment? Are you married? How many dependents? What are your tax and other liabilities? Do you own your home? Do you travel? Where is your legal residence? What are your prospects and plans? Have you made your will? Created a trust fund?

Why are you saving? To buy something? To assure a comfortable income in old age? To provide for your family? To protect a business? To meet some contingency?

Personal questions—yes. But, before suggesting the bonds *you* ought to buy, the investment specialist, no less than the medical specialist, must have facts for diagnosis.

[2] Your Present Investments

It is quite possible that some of your present holdings are not the best for you.

All the securities you now own should fit into a personal investment program, based not only upon the fluctuations of industry and a constant income average but also upon your own plans and contingencies and other personal factors.

Your present holdings are a personal matter, too. But the sincere investment specialist cannot intelligently advise you on new purchases unless he knows what you already own.

Our Offer

We offer you the help of our investment department in selecting the right bonds from the best bonds the financial world affords.

Our offer is easy to accept. It entails no obligation.

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Luck and Guesses

No business progresses without some luck and some guessing. But no business progresses if it *depends* on either. Most alert executives have learned to mistrust guesses as to property values and depreciation. They rely, instead, on American Appraisals.

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ordinary life policy. It is true that the insured will have to "die to win," just as the insured must have a fire to realize on a fire policy.

If the beneficiary dies before the insured in the case of a survivorship annuity policy, the contract becomes null and void, but the insurance need ends simultaneously.

Ignorance on the part of insurance buyers frequently leads to misconceptions about the value of usual health and accident policies. The general run of such policies are subject to cancellation on the part of the company after the insured has recovered from an illness which makes him a less desirable risk. Accordingly, such policies do not give the insured the coverage that they think they are getting.

In my opinion, health and accident policies are of very limited value unless they are noncancellable. At least three strong companies offer such policies. They are offered at reduced rates to those who accept three months' elimination periods.

Again the insured may go through life without collecting on this type of insurance, and if so he is to be congratulated on his good fortune.

IN THIS age of big business, when institutions are eclipsing individuals, it is interesting to observe that at least seven groups of brothers are at present outstanding business factors in the United States.

They are the Giannini, Graham, Fisher, Jonas, Van Swerigen, du Pont, and Book Brothers.

WICHITA, Kansas, has taken us into her bosom for a paragraph which appeared in the March NATION'S BUSINESS. Thus far, New York has met the suggestion that it take a leaf from the book of Wichita's experience with icy silence.

The *Wichita Beacon*, in a news report of the new rivalry between the two municipalities, says:

"Gotham, the city without a boom, may well take a few pointers from Wichita, according to a significant paragraph in the March issue of NATION'S BUSINESS, official publication of The Chamber of Commerce.

"In 'What The World of Finance Talks Of,' Merryle Stanley Rukeyser says:

" 'New York has been described as the city that never had a boom. It is certainly free of conventional boosters and seems to do pretty well in spite of this lack, although one wit has suggested that a sign be erected at the approach to the metropolis, reading "New York—the Wichita of the East." '

"The paragraph has caused much comment among prominent business men here and was a chief topic of discussion Friday at the airport conference in the Wheeler Kelly Hagny Building."

How long, we ask, how long can New York remain adamant to this fundamental issue? We pause for a reply.

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Utilizing Our Natural Wealth

(Continued from page 38)

depleting a natural resource which can never be replaced. With the extraction of each barrel of oil our resources are being lowered that much, and the Government has sought to impress upon producers the necessity for storing oil in the ground instead of bringing it to the surface with resultant loss to everybody concerned.

It is pertinent to emphasize just what this industry means. Measured by the standard of use, its products have now become the lifeblood of transportation—on the surface of the earth, in the air above, in the water beneath. The distance between continents is now figured in "gallons of gasoline." In 1861, two years after Drake's well started this industry, the country's production for twelve months was much less than the wells of this country have produced in the last 24 hours. The first well struck oil at 68 feet; today they are drilled to a depth of a mile and a half. Last year the oil output from existing and new gushers exceeded 900,000,000 barrels. Nearly 10,000,000,000 barrels of petroleum have been taken from the earth, but no one can assure us that additional billions are yet to be recovered.

The present crisis in oil—described by one oil company president as the most malignant form of industrial disease and by another as an economic disaster of international proportions—has come, because reasonable and appropriate conservation measures have been delayed, law makers and law interpreters standing back while the procession of oil operators, geologists, production engineers, inventors and builders of machinery passed by.

Competition Hurts Conservation

IT WAS in appreciation of this situation that our Federal Oil Conservation Board urged the formulation and adoption of remedial measures.

More than a year has now passed and yet no constructive move has been made toward relieving the pressure of competition which now bears so heavily upon the thousands of units in the business which the country cannot afford to see go down and out.

The once great divergence of opinion concerning the necessity for national conservation no longer exists among the leaders of the industry, therefore it behooves the legal profession identified with the oil world to work out a sane and positive course that will protect our national structure in years to come.

It was with that end in view that, as Secretary of the Interior and chairman of the Federal Oil Conservation Board, I suggested last August, before the annual meeting of the Mineral Law Section of the American Bar Association, the selection of the Committee of Nine, to draft a bill for the Federal Oil Con-

Sound business demands ample reserves—
readily available but never idle



AS WITH the individual, so with a business, various contingencies arise—repairs and replacements, new equipment, unusual profit opportunities, temporary setbacks—for which funds must be available. A business must also keep liquid assets profitably employed. A well arranged bond reserve meets both needs—but it must be soundly built, with the requirements of the particular business governing all selections.

A business with firmly established production and distribution facilities might require different securities than a newer business struggling for a foothold. Funds established for emergencies or unforeseen contingencies would require bonds differing in some respects from those suited to pension funds, insurance funds or others of a more permanent character.

We have specialized for a number of years in this problem; have assisted many concerns in various lines of business to solve it. We not only have the experience to specify proper issues; we can also promptly furnish them from a large and varied inventory on hand of issues originated by ourselves. That saves time and often saves money for the investor.

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Progress in business, as in any other activity, is the natural expression of *Understanding.*

Better business is the result of *knowing* human and material conditions—it's the mark of facts and figures. Larger profit is the mark of foresight and control. Loss and waste mark avoidable incidents—or accidents. While the sincere desire of American business to *serve* efficiently and well is the most enlightening mark of all—the mark of *human understanding.*

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FOREIGN COMMERCE DEPARTMENT

United States Chamber of Commerce *Washington, D. C.*

servation Board to study and recheck, with a view to its introduction into the Seventieth Congress. That representative committee has now reported and I believe the time has arrived when the Federal and state governments should legislate to protect our oil deposits against waste in production, and the public against future high costs of oil products.

One wonders if the single item of gasoline prices may obscure our long-distance vision of the larger problem. The owners of more than 22,000,000 automobiles in the United States are interested in the price of gasoline. The rise and fall of price levels are watched constantly and carefully. The causes for frequently recurring fluctuations are debated with varying emotions. Analysis of contributing factors often is sound, but more often unsound. The present trouble is not one of price demanding regulation in terms of the consumer, but rather conservation measures to prevent overproduction and permit the stabilization of the industry.

Consumers are inclined, of course, to remember the days of low prices and forget that gasoline prices have repeatedly risen to higher levels than prevail at the present time. The automobilist, when he speaks of low prices, usually has in mind the low prices of 1914 and 1915, when the flush production of the Cushing Field forced the price of crude oil to the low level of 30 cents a barrel, but the same buyer fails to recall the high price of 1920, when there was a threatened shortage of crude and gasoline prices reached the highest point for many years—31 cents a gallon in New York City.

During the last three years—that is, during the life of the Federal Oil Conservation Board—two great pools, Smackover and Seminole, have been developed, with enormous production—production not needed and production attended by great economic and physical waste.

High-Priced Distribution

PLAINLY, distribution costs too much, for there are far too many outlets for the oversupply of this commodity, the total demand for which is much more affected by the weather than by the brightly painted service stations or attractive roadside advertising signs. We thus pay for a competition that increases costs rather than reduces prices, and that piling up of unnecessary cost has been estimated in a single state at not less than $20,000,000.

The layman usually fails to consider the fluctuations in the prices of crude oil. These are greater than those in the prices of gasoline. The outstanding fact in the present oil situation is that during the last few years new and large producing oil fields, developed to capacity under conditions of rapid and competitive exploitation, have produced a supply of oil far above and beyond the demand of essential use. The supply of crude more directly affects its price, so that the

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bringing in of a few big pools within a short period completely upsets the price structure.

The market has been deluged with so great a supply that petroleum has been forced into keen and violent competition with coal in nearly all its area of consumption, with the result that possibly one half of America's oil production is being used to displace the legitimate and effective use of coal.

In the light of these developments it can hardly be urged that the time is not ripe for a rigid economy and conservation of petroleum. Of course, all that I have said of the relation of oil conservation to public interest, of the inherent danger to future prosperity from present waste, is typical of a larger problem in democratic government.

Uncle Sam, Conservationist

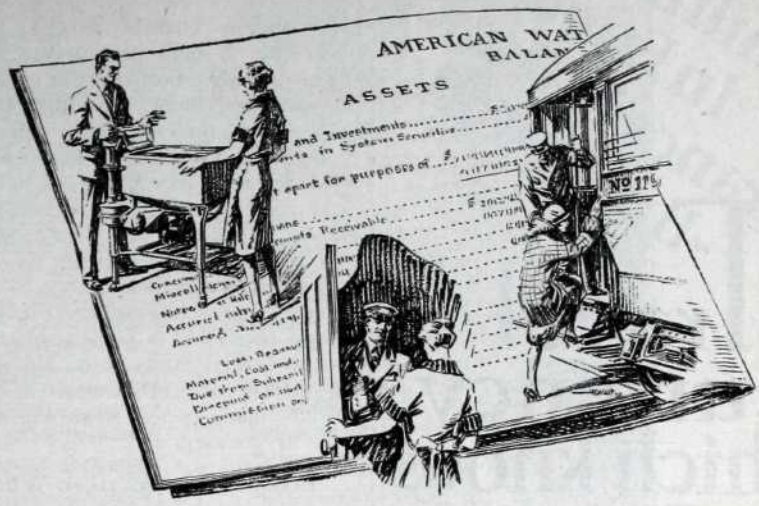
INCIDENTALLY, the Government itself as the administrator of the public and Indian lands happens to be no negligible factor in the current production of petroleum. As regards the hundreds of oil and gas leases on government land I may say that the federal landlord is perhaps the best conservationist among landlords.

If Federal or additional state legislation is essential as a corrective, the sooner such enactment the better. I might suggest, however, that we have too many laws for superficial symptoms.

If the remedy rests with the oil companies themselves, through voluntary and wholehearted cooperation, or through compulsory unit pool operation, or some other method, the time is preeminently ripe for action. Our national progress depends largely upon a known and plentiful supply of petroleum.

The natural resources of the United States are national resources. Waste of resources in development may occur in attempts to irrigate land for which there is an insufficient water supply; or in breaking the sod of grazing lands unsuited for farming; or in the location of a water-power plant so that full use of the site is impracticable; or in planning a mine so that parts of the mineral body may be left isolated and impracticable of commercial recovery; or in methods of production that fail to bring to the surface a maximum proportion of a minable deposit; or in using milling methods that fail to recover the highest practicable percentage of valuable mineral; or in contamination of a deposit by careless operating practices so that it ceases to be commercially valuable; or in permitting the escape into porous strata of migratory minerals; or in failure to use or preserve for use the mineral substances brought to the surface.

Avoidance of these and other unnecessary losses, as well as progressive development of reserves of natural resources, are essential parts of the conservation program. The first essential in conservation is knowledge—detailed information as to what the natural resources are and where they are to be found.



The Invisible Balance Sheet

Every public utility has an invisible balance sheet—a master sheet which deals in human values rather than in dollars and cents.

The good will of customers gained by service well rendered, the loyalty and cooperation of employes, the good name acquired by honorable dealing—these give true service value to the physical property, and they are no less important because they are intangible and cannot be set within the frame of any corporate Balance Sheet.

No enterprise can long prosper unless these assets, which can neither be expressed in money nor bought with money, abundantly appear in the Invisible Balance Sheet.

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Wherever American travelers go abroad, in out-of-the-way places, in quaint old towns, the familiar sky-blue color is immediately recognized. *"Le bleu"* exclaim the French villagers. "Yes, yes, *blue* express cheques", say countless others in England, Germany, Switzerland and elsewhere.

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The Market of Discontent

(*Continued from page* 16)

fifty million bushels annually, today plays only a small part in the international balance sheet partly because of the increased home consumption of its slowly rising millions.

Australia, a vast country of undeveloped area, is a country of uncertain climate that this year lowered to fifty million bushels its last year's contribution of one hundred million.

Argentine, with possibilities of extended acreage, has become the cattle reservoir of the world, a place formerly held by our United States, until the expanding quality table of our own people has recently made beef at home the mark of table aristocracy.

Prosperous American Wheat

NO, THE great increase in wheat for overseas must come from North America. Canada has vast acres to develop, bust must develop those acres by the production of seed strains that can outgrow the early frosts. In our own great west and southwest areas American resourcefulness and enterprise today develops large-scale production of low cost wheat, which spells at present prices prosperity on every normal yield.

Now, at home, besides this, the quality bread of America has produced another secondary effect.

The public bakery requires for sure quality and large loaf-production per barrel, flour made from wheat containing the indefinable quality of protein. By habit we still speak of wheat as wheat. By inertia, the federal standards of grades still classify under the same grade name, for example, of "No. 2 hard winter wheat," wheat which contains 14 per cent of protein and is today worth $1.80, and wheat which contains 10 per cent of protein and is worth $1.30. The $1.80 wheat is no more valuable for milling than qualities of Canadian wheat which sell today at $1.50, and the price of $1.80 instead, represents the practical gain to our growers of high quality wheat behind the protective tariff of 42 cents per bushel, against its import competition. Protein is not the assured product of seed or of definite areas of production. It has never been produced in quantities which exceed the expanding requirements of our public bakeries. High protein wheat promised to maintain at home a level of premium which represents the actual share of American wheat producers in a protective tariff.

Now, if, alongside of such practical benefit in our home markets for a large portion of their wheat production, there develops also under natural law, an export demand for the production of otherwise idle acres at prices which show farm profits in growing these qualities for export, then we have the soundest of national economy.

Each year the world wheat crop of approximately 3,500,000,000 bushels is consumed almost completely. Price is the factor of adjustment which increases consumption at lowered levels and ekes out a diminishing supply at high prices. If demand becomes more insistent under the "quality table" developing in Europe as has already been established in America, it is not imaginative to feel a confidence that wheat-growing will become soon again a profitable industry.

Today the mills of South Carolina, catering to the "quality table" which demands the peculiar flour made from soft red winter wheat, find themselves able to pay $1.90 at the mill door. The quality table will never hesitate on price, just as the mills and agencies which serve that quality table will never pay more for their supplies for that quality table than competitive pressure will permit them to do.

Here lies the injury to the American farm which, in my judgment, has been very real for the last five years of legislative agitation of panaceas. We have possessed a uniquely American device for absorbing the impact of crop marketing from the farm at time of harvest without undue depression, and carry it for distribution until consumption overtakes such grain accumulation. Thas has been effected through the device of free and open trading for future delivery on Grain Exchanges.

These future trading exchanges made it so simple to invest in the purchase of grain without the detail of each buyer arranging his own storage, finance, insurance, that it has attracted, up to the last few years, enormous speculative and investment buying, which has carried the weight of grain with a peculiar buoyancy.

"Quality Market" for Grain

WE HAVE seen the prices of securities on Stock Exchanges rise insistently to new high levels under the impact of the growing reinvestment of a great people engaged in such efficient production of wealth that the buying power increases by leaps and bounds, yet we have not had the national intelligence to attract into these grain markets that buying power which should tend to lift to high levels the values of grain and cotton.

A high level grain price once established under such investment confidence, would tend to maintain itself under the influence of this "quality market" of America's newly developed buying power.

Price prediction is dangerous in any field, but this picture of the basic trends in the development of a new phenomenon without parallel in history, denoted as the "quality table," possesses possibilities of profit to our agriculture which should provoke much thought and study. It should inspire new caution in injecting the deadening influence of government into the processes of marketing, against the warning of experienced men with high devotion to the restored prosperity of American farms.



A Two-Fisted Wood
—*that fights rain and rot*

WHEREVER upkeep must be cut to the bone (and where doesn't it have to be cut), use Tidewater Red Cypress. Put this Wood Eternal to work on every structure that is exposed to the weather.

Tidewater Red Cypress is especially adapted for warehouses, platforms, conduits, water tanks, railroad cars, greenhouses and fencing. In short, any use where long life and absolute freedom from repairs are essential.

Grown in water, Tidewater Red Cypress resists water. Fortified naturally by "cypressene," it fights off rot. No wonder, then, that larger and larger quantities of it are being used each year by all industries. But when you order this lumber, be sure to specify "Tidewater Red Cypress"—for outstanding durability is found only in the "coastal type" red cypress that grows near the Gulf and South Atlantic Seaboard.



For enduring beauty and low upkeep cost, also use Tidewater Red Cypress in your home. This photograph shows how the Wood Eternal was used in the home of Mr. Charles Evans Hughes, Jr., at Riverdale, N. Y.

Complete information on this long-lived wood will be sent free of charge in the booklet, "Money Saved for Builders." Send for it today. Southern Cypress Manufacturers' Association, Dept. NB5, Jacksonville, Florida.

Specify TIDEWATER RED CYPRESS

THE WOOD ETERNAL



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THOROUGHLY practical shop equipment. Will stand the hardest usage and abuse. Made of Cold Rolled Steel—*not* angle iron. Will never rack or go to pieces. Light, strong and handy, with big, three inch, easy rolling steel bronze bearing casters. One, two or three trays—adjustable in height. Trays cannot slip. Trays can be reversed so as to form smooth flat top. Steel drawers can be supplied if desired.

Dome shaped steel feet or 6-in. iron wheels in place of casters if desired, at slight additional cost. Other variations in size and style to order. We make many other items of UHL *Steel* Shop Equipment such as Trucks, Tables, Stands, Stools and Chairs. Our catalog should be in your file.

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And bill me for the full amount, $7.50.
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Why Is an Office?

(*Continued from page 22*)

loss would seem staggering. But eventually the business would go ahead like a balloon relieved of ballast, because its "data" would be obliterated.

One thing George M. Cohan forgot to take with him when he walked out with his hat—his income tax facts. People who are anxious to know when Cohan can be found, might look in his office around March first to fourteenth. For the Great Joss "Data" makes heavy drafts upon office facilities through government bureaus. Many an office slave works for the Government all the year, though a business house pays his wage.

Required to Collect Tax

NEW York State levies an income tax in addition to the federal tax. A good many people working in New York are residents of New Jersey. It has been ruled that all money they earn in New York is subject to the state income tax—subject to the exemptions, of course. Corporations employing large numbers of people are required to collect this tax from employes living in other states.

This is another part of the answer to "Why is an office?" Government has got to do business extensively in this direction.

Offices show a lot of the defects of our new machine civilization.

A good many people declare this no civilization at all and warn us that we are bound to the bow-wows in a flivver. Comparisons are made with other civilizations in the world's history. . . . but you know the argument as well as myself.

It strikes me as odd that people who draw their arguments from history should have such limited perspective. Other civilizations were centuries in the making. Ours started yesterday.

I am not so old that I have to be wheeled around by a keeper. Yet I saw the first telephones as a boy, and remember when all the electric light used by Detroit was generated with a single small dynamo.

Nobody had typewriters in offices then nor did women work in offices. They worked in factories. To tell you what has come since would be merely making a catalogue. People born to these things do not consider them wonderful. They accept them as their right and grumble about their shortcomings.

Offices have expanded mechanically, and at the same time stayed in pretty much the same place, in the hearts of cities, and in the same relation to the men who manage the business. Now the trend seems set dead straight for the application of economy to office functions. Ten years from now, the office as we know it at present will seem as obsolete and quaint as the office in which Dick Swiveller sidestepped the efficiency devices of Sally Brass.

Stick around and you'll see!



New ECONOMIES

...in Appliance Design and Manufacture

To help our customers meet today's highly competitive conditions in the electrical industry, the Domestic Electric Company has extended its facilities to include not only the *designing* of motor driven appliances, but the *manufacture,* on order, of certain types of fractional horsepowered equipment.

Through these two new departments—of Appliance Design and Appliance Manufacture—we can offer Domestic users certain economies which they have, until now, been unable to obtain.

Domestic engineers, highly trained in the application of special motors to portable household and industrial appliances, are prepared to design such appliances from "the idea" to the completed model, as well as to redesign existing models. This service will result in even higher standards of appliance efficiency, and, in many cases, in lower production and operating costs.

Obviously, in the case of appliances which are 80 to 90% motor and only 10 to 20% appliance, substantial and worthwhile savings can be effected by eliminating repeated inspection, handling and packing, if Domestic produces the complete appliance, packed and ready for delivery to the consumer, instead of building the bare motor only. In such instances, our department of Appliance Manufacture can work to the decided advantage of Domestic users.

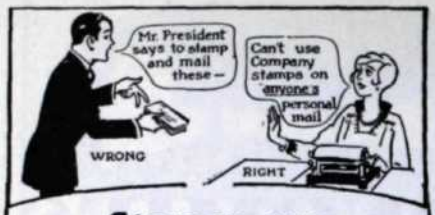
The Domestic Electric Company has in the past repeatedly rendered these services at the request of customers. Organization of permanent departments merely carries still further the Domestic idea of highly individualized service in the interest of efficiency and economy.

We shall gladly give further information on request — and we cordially invite you personally to inspect the new and broader facilities offered by this organization.

THE DOMESTIC ELECTRIC COMPANY
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FRACTIONAL HORSEPOWER (102)
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You will like the sharp, clean reproduction of line work, the clear-cut duplication of typewritten copy, the durability and economy of Arlac Dry Stencils.

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You will like the repeat business that Arlac Dry Stencils bring in. They produce better results for customers and that means better results for you.

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An Open Letter to the Senate

(*Continued from page* 26)

conditions in 1928 calendar year remain in general at a parity with the business conditions of 1927—receipts in 1929 fiscal year from current corporation tax at a rate of 13½ per cent would exceed the official estimate of $1,120,000,000 by at least $100,000,000.

It has been pointed out that these figures do not show actual collections made but only taxes due. If this criticism is accepted the Treasury's estimated basis of the loss of $90,000,000 figured upon the same data for the reduction of the rate of corporate income tax by one point, i. e., from, say, 13½ per cent to 12½ per cent, is too high.

There is no public record over a period of years of the actual collections made from corporations within each fiscal year of the taxes shown upon the returns as filed, or any public record of the part of the tax shown upon the returns on which there was delinquency with payment in subsequent years, or any public record of the amounts collected from corporations through assessment of taxes additional to those shown upon the returns.

Four Kinds of "Back Taxes"

A VERY large total is involved in so-called "back taxes" which fall into the following categories:

First: Uncontested claims which are merely delinquent in payment.

Second: Claims for additional taxes pending in the Internal Revenue Bureau which may be settled there.

Third: Claims for additional taxes which have been sent from the Internal Revenue Bureau to the Board of Tax Appeals on the appeal of the taxpayer.

Fourth: Unpaid claims for additional taxes involved in cases before the courts.

The first must naturally be the amount between the total tax liability admitted on income returns filed by taxpayers and the receipts from taxpayers at the close of the fiscal year.

Upon the second there is no public record of the total amount. One large accounting firm advises that government claims of this character against their clients now pending in the Internal Revenue Bureau total $100,000,000, and it is, therefore, apparent that the aggregate of all such claims in that Bureau must amount to a very large sum, at least several hundred million dollars.

Upon the third the claims before the Board of Tax Appeals now amount to $685,000,000—the greatest total in the history of the Board—an increase of $80,000,000 since October, 1927.

The cases under the fourth category, while involving considerable amounts in additional taxes, are particularly important in that the decisions of the courts will be precedents which may determine the outcome of the Government's claims under the second and third.

The records show that collections from "back taxes" were:

In 1926	$285,000,000
In 1927	$331,000,000

The official estimate of last November of revenue from this source, of $180,000,000, which has recently been increased by $40,000,000 to $220,000,000 for the fiscal year 1929, is lower by $111,000,000 than the $331,000,000 of 1927 above, which to the Chamber does not seem reasonable.

The official statements would seem to mean that in the $220,000,000 now estimated as receipts from "back" taxes in 1929 fiscal year there are $100,000,000 of these delinquent "current" taxes.

In other words, it would seem that in the official estimate there are only $120,000,000 of receipts from claims for additional taxes, for all preceding years. Without stopping to cite official testimony as to the amounts of additional taxes assessed and collected for a period within the last twelve months, it seems sufficient to point out that if only $120,000,000 in additional taxes are collected in the fiscal year of 1929 these collections will not be sufficient to offset tax refunds, which are officially estimated to amount to $138,000,000. It is only reasonable to assume that the Government is receiving from its additional tax claims an amount in excess of the refunds made.

In December, 1927, the official estimate of the surplus for 1929 fiscal year was $252,000,000. On April 3, 1928, this estimate was so changed as, upon a comparable basis, to be $297,000,000.

This revision has taken place three months in advance of the opening of the fiscal year of 1929. At the time of the opening of the fiscal year of 1928, now current, the official estimate was that the surplus at the end would be approximately $200,000,000. In December, 1927, when the year was almost half run, the estimate was increased to $454,000,000.

Without exception for each of the past five years, the official estimates of receipts have been underestimates by wide margins, and the estimates of expenditures have been overestimates.

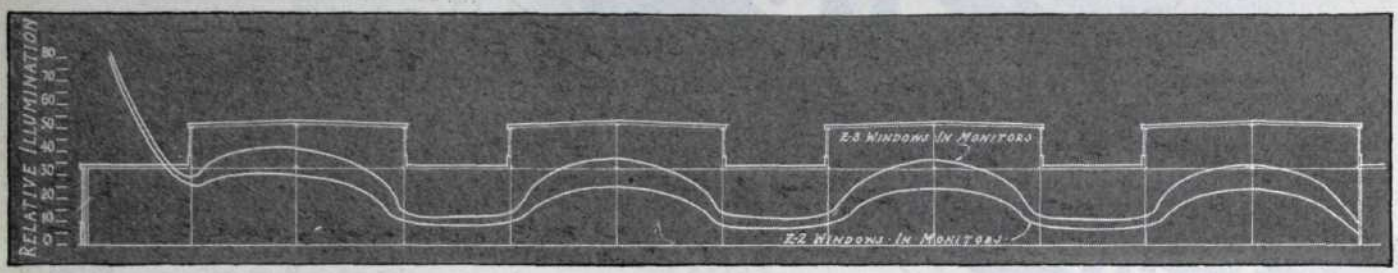
The actual surpluses have exceeded

What Happened After Three Tax Cuts Were Made

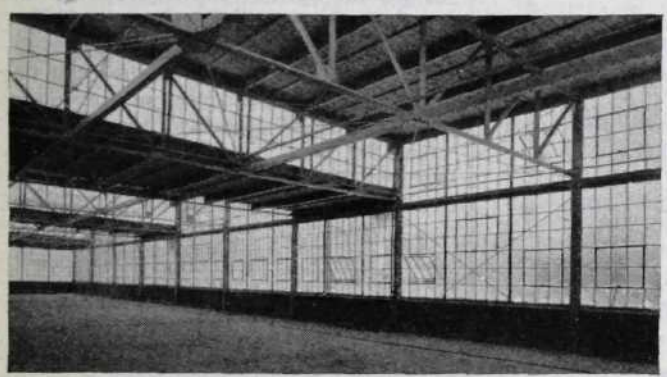
	Cut Recommended by the Treasury	*Cut Passed by Congress**	*Surplus Current Year*	*Surplus Year Following*
Revenue Act 1926	$300,000,000	$422,000,000	$307,000,000	$635,000,000
Revenue Act 1924	323,000,000	519,000,000	505,000,000	250,000,000
Revenue Act 1921	372,000,000**	663,000,000	313,000,000 (1922)	309,000,000 (1923)

*The amounts of these reductions are variously computed. The figures in this column are estimates appearing in the Budget Message of December, 1927.
**The first recommendation of the Treasury was that taxes should be increased, and not decreased.

Where a Twenty Per Cent Increase in Fenestration Increased Minimum Daylighting by Sixty-five Per Cent.



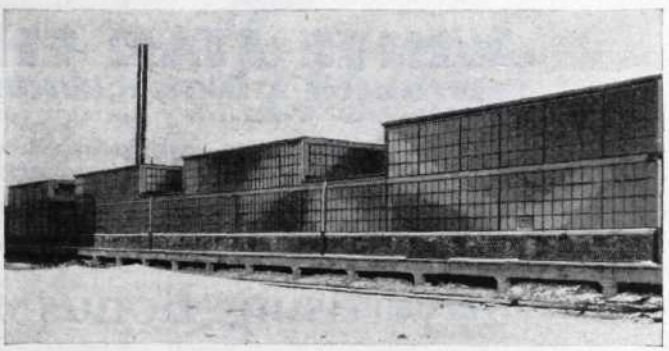
"To secure adequate minimum daylighting in a single-story building, 200 feet wide by 260 feet long, lighted through windows in the sidewalls and in Aiken monitors, shall we use windows two lights high or three lights high in the sides of the monitors?"



This was the question confronting the Smith Incubator Company of Cleveland, Ohio, in the design of a new factory building. They "asked Fenestra" for the answer.

Fenestra's Department of Engineering Research developed daylighting curves which determined, *in advance of construction,* that the proposed increase of less than twenty per cent in the total fenestration, thus correctly located in the monitors, would bring up the low points of the daylighting by about sixty-five per cent. The chart shows the daylighting curves for the two heights of monitor windows, and the photographs show the factory as it was built, according to the recommendations submitted.

Similar questions on daylighting, as well as problems in aeration (natural ventilation), are apt to confront *your* engineers when new buildings are planned. Then — when you're still working with drawings—call on Fenestra's Department of Engineering Research. Such a request entails no obligation on your part.



Ask **Fenestra**

DETROIT STEEL PRODUCTS COMPANY

Department of Engineering Research, 2235 East Grand Blvd., Detroit, Michigan



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Leave at the end of the business week. Arrive in Paris or London for appointments the following week-end.

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An Advertising Bonus *of*
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THE PRINT ORDER for the Extra Edition of NATION'S BUSINESS will be approximately 325,000. The advertising rate will be $1,100 a page, based on 250,000 circulation.

The Extra Edition will report the Sixteenth Annual meeting of the United States Chamber of Commerce. The meeting is May 7 to 11. Forms will close May 12; publication date May 25.

Write or wire Washington or any branch office for details.

NATION'S BUSINESS

estimates made only six months before the close of each fiscal year in amounts ranging from $100,000,000 to nearly $600,000,000—last year, $252,000,000.

In connection with each of the past three revisions of the Revenue Act there have been official recommendations as to the total amount of tax cut that could not be exceeded.

Each of these recommendations was greatly under the actual tax cuts made by Congress and, still, large surpluses resulted. (See table on page 158.)

The following table shows the effect of the National Chamber's proposal for tax reduction in the fiscal year 1928.

Official estimate, surplus as of June 30, 1928	$401,000,000
War excise and estate tax repeal as of July 1, 1928 (no effect).	
Corporation tax rate reduced to 10 per cent on 1927 incomes would cut receipts of present fiscal year by not more than	150,000,000
Treasury surplus June 30, 1928, after cut to 10 per cent	$251,000,000

Note.—It is discretionary with the Secretary of the Treasury by law to carry such sulplus to general fund for ordinary expenditures in next fiscal year or for debt retirement.

As has been shown, the National Chamber's committee believes that the official estimates of receipts for the fiscal year 1929 are still too low by more than $100,000,000. Moreover, the Chamber's committee has pointed out that there will be available approximately $400,000,000 for current expenses should an actual need arise. Approximately $160,000,000 of this is in interest received from foreign governments which can be used for current expenses of the Government instead of being used as heretofore for debt retirement. Added to this would be a sum up to $250,000,000 from the surplus of June 30, 1928, carried into the new year.

Even though the official estimates are taken to be correct, the National Chamber's program is well within the principles of sound finance, as is shown below:

Amount which can be carried forward from surplus of 1928	$251,000,000
Official estimate of 1929 surplus (with present tax rates), $207,000,000 less provision for new and unbudgeted expenditures of $85,000,000	212,000,000
Receipts from foreign loans (interest).	160,000,000
Total	$623,000,000
Less Chamber's program of elimination and cut	394,000,000
Surplus year-end	$229,000,000

From the above it is apparent that it would be unnecessary to devote the $160,000,000 of interest payments from foreign governments to current expenditures but the amount would be available for debt retirement and still leave a surplus of $69,000,000.

Since its first referendum in 1912, and without abatement after the congressional legislation of 1921 establishing the Bureau of the Budget, the Chamber has been an outstanding advocate of proper budgetary procedure in the fiscal operations of the Government.

The Chamber has always contended that the revenue side of the budget of the National Government should each

year properly provide for the expenditure side.

In support of budgetary procedure, the Chamber has always contemplated the desirability of one centralized control over estimates both of receipts and expenditures in order adequately to present to the Congress and the country a properly balanced budget of income and expenditures, instead of, as at present, having the expenditure estimates presented by one agency of the Government and the income estimates by another.

The Chamber has been a consistent advocate of economy in government and gives due recognition to the record of Congress during the last six years in keeping appropriations within the figures recommended by the President in his budget messages.

The Chamber has never hesitated to advocate and wholeheartedly to support reasonable measures of taxation which will produce revenue sufficient to discharge all of the proper obligations of the Government arising out of legitimate governmental activities—whether special or recurring.

The National Chamber recognizes that it is the province of Congress to fix the rates of taxes, and to set the amount to be raised by taxation, as well as to fix the amount of debt reduction.

We place before you the facts as we find them, the well-considered opinion of our members, representing every section of the country and every type of business and industry, in a sincere desire to help you in the consideration of an intricate question which affects the economic welfare of the nation.

Publicity by Radio

THE French have a delightful way of saying that to know all is to forgive all. From the corporation baiter no such enlightened understanding is to be expected. But where the heart resists, the head may still offer an opportune opening to the good counsel of reason.

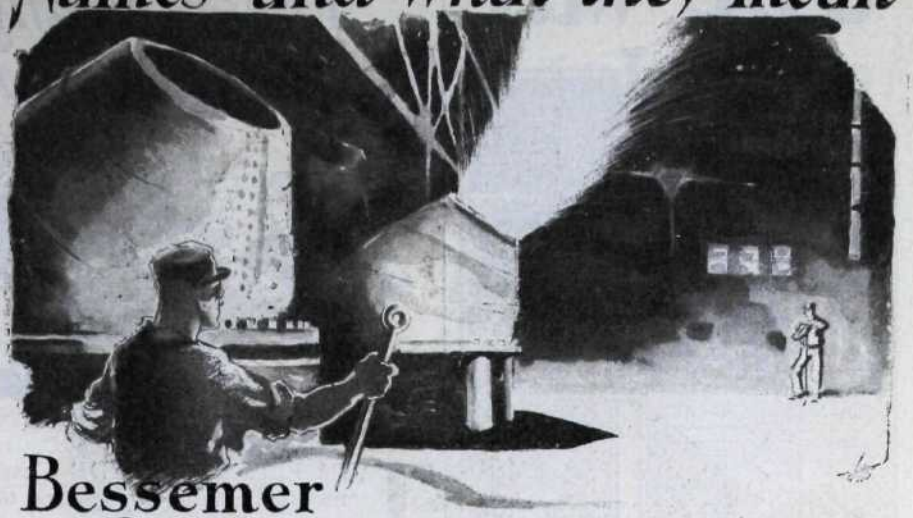
For it is through the eye and the ear that the progressive corporation now seeks to make its case in the public mind. Not because its publicity policy is new, but because of the unusual means of information, the example set by the Commonwealth Edison Company of Chicago provides a timely text.

By broadcasting the meetings of its directors, it has taken the public into a larger confidence. For this company it is literally true that even the walls have ears.

The microphones in the board room put every one of the million bondholders, stockholders, and customers on the inside of affairs.

By putting its proceedings on the air for all who might wish to listen, this hundred-million-dollar corporation has added a new dimension to our current ideas of public relations. R. C. W.

Names—and what they mean



Bessemer Steel

Three score and ten years ago Henry Bessemer, English engineer with inventive turn of mind, brought into practical use a method for converting melted cast iron into a steel in a perfectly fluid state. His discovery was of greatest industrial importance because it reduced cost of manufacture nearly $100 a ton and made steel available for innumerable uses. While others scoffed, Bessemer erected his own plant and produced better steel which could be sold at lower prices. Within a few years there came to the inventor more than $4,000,000 in royalties. The name of Bessemer, because of the quality of steel and low price his discovery made possible, will ever be associated with whatever progress has been made in the manufacture of steel since his time, even though his process is now largely supplemented, and in some instances displaced by other methods. Bessemer's work paved the way for modern skyscrapers, great bridges, the endless uses to which steel is now put. It is worthy of note that some names begin by being merely tags to identify a product and are soon forgotten. Other names, like Bessemer, acquire, through years of superlative merit in the product itself, a personality, a definite measure of value that is quickly recognized. Such a name, for instance, is

Tycos

It is accepted as a standard of excellence and value in the invention, manufacture and employment of instruments for indicating, recording and controlling temperature in the home, the office, the factory, the hospital, and on the farm. In industry alone the name TYCOS symbolizes a Sixth Sense which makes possible the correct and efficient application of the five familiar senses—sight, hearing, smell, taste and touch. TYCOS on Temperature Instruments means the same as Bessemer as applied to steel.

It has well been said by noted authorities that iron, most abundant and cheapest of heavy metals, strongest and most magnetic of known substances, is perhaps also the most indispensable of all save the air we breathe and the water we drink.

For one kind of meat we can substitute another; woo can be replaced by cotton, silk or fur; glass has its substitute, but even if the earth could be made to yield any substitute for the millions of tons of iron and steel which we use each year for rails, wire, machinery and structural purposes, we could not replace the steel of our cutting tools or the iron of our magnets, the basis of all commercial electricity. From the mining of the ore itself through all the processes to needles and pins, razors and rapiers, transformation of the metal into useful implements depends on the application of heat. How much, how little, how long heat must be applied is indicated, recorded and controlled by TYCOS Temperature Instruments. The employment of TYCOS Temperature Instruments makes possible the countless possibilities wherein iron and steel are made to serve men

Tycos Temperature Instruments
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Office Thermometers
An aid in promoting human efficiency.

Bath Thermometers
To enable you to get the most good from your bath.

Home Sets
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The Washington Spectator

By LEO A. BORAH



THE FEDERAL TRADE Commission began its investigation of public utilities March 8 with a preliminary public hearing in which much testimony in the form of documents was introduced into the record through examination of representatives of the National Electric Light Association and the American Gas Association.

Commissioner Edgar A. McCulloch presided, and Robert E. Healy, chief counsel of the Commission, conducted the examination. It was announced that Col. William T. Chantland, of the legal staff of the Commission, would serve as associate counsel in all the hearings.

The Commission addressed the members of the Senate individually and the Interstate Commerce Committee, requesting them to furnish any pertinent information in their possession.

A general questionnaire is being issued to the several thousand electric power and gas utility operating companies to aid the Commission in determining which of them are engaged in interstate commerce and to furnish data which will aid the Commission in measuring the importance of holding-company control and other related matters called for in the Senate resolution.

The Commission is planning to take up with the director general of the budget the question of a supplementary appropriation for the next fiscal year to facilitate efficient handling of the inquiry.

THE Federal Trade Commission's first report of its proposed investigation of public utilities outlines the procedure to be followed.

A summary of the investigation of the cottonseed industry is presented.

Eighteen trade practice cases are settled by stipulation; others are made the subjects of orders to cease.

The Department of Agriculture makes important announcements relative to cooperative associations and movement of population.

NO EVIDENCE of cottonseed price manipulation on the part of crushers and refiners in violation of the anti-trust laws or the Federal Trade Commission Act is apparent, the Federal Trade Commission announced in submitting to Congress a report of its investigation of the cottonseed industry.

The inquiry is the result of a resolution adopted in the House of Representatives in March, 1926, declaring that since prices paid by cottonseed interests to cottonseed producers had been uniform for several years, it appeared that the cottonseed interests were in "agreement or combination on the prices to be paid the producers."

Though it reports no evidence of price fixing, the Commission gives as a main cause of dissatisfaction to both producers and manufacturers the general lack of a uniform system of grading. It recommends that standards be established for cottonseed just as they have been established for cotton and other products, to the end that those dealing in seed may arrive at a fair value, which necessarily will be reflected in the price paid the producer.

The low prices paid for cottonseed in 1926, which were the cause of numerous complaints and constituted one of the reasons for the current inquiry, the Commission attributes in part to an increase in production. Although six companies in 1926 refined more than 70 per cent of the total of oil, and a few large companies operated extensive chains of mills, the Commission reports no indication of monopoly.

RULES for the proper naming of furs offered for sale were adopted by representatives of the fur industry at a trade practice conference in New York

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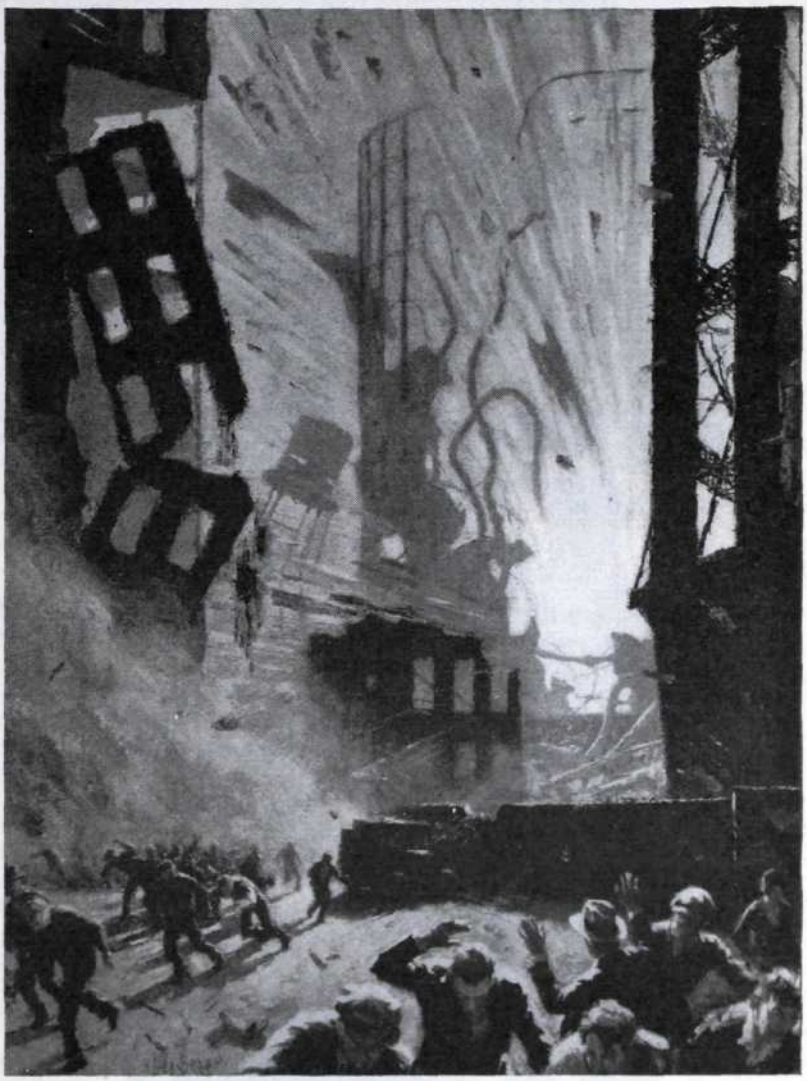
Last November, a great disaster occurred in Pittsburgh. An explosion of giant gas tanks owned by a public utility company took a heavy toll of life and limb and destroyed or damaged over 800 homes.

Three days later, The Pittsburgh Press, a SCRIPPS-HOWARD Newspaper, laid before the officials of the public utility company a suggested plan whereby the company was to settle immediately all personal damage-claims without pressure from the law.

In a fine humanitarian spirit, the Company's President, A. W. Robertson, promptly accepted the plan suggested by the Press. Hospital bills and personal injury claims were to be paid voluntarily. Cash settlements were to be made for the restoration of dwellings and household goods. When an agreement on a proper sum could not be reached, an independent committee was to umpire the differences.

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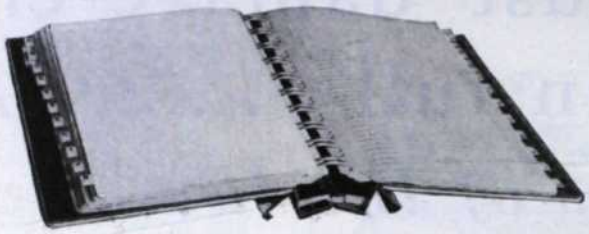
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in February under auspices of the Federal Trade Commission. The rules adopted by the industry and approved by the Commission are as follows:

(1) In order to describe a fur, in every case the correct name of the fur must be the last word of the description, and if any dye or blend is used simulating another fur, the word "dyed" or "blended" must be inserted between the name signifying the fur that is simulated and the true name of the fur: as, "Seal-dyed Muskrat," or "Mink-dyed Marmot."

(2) All furs shaded, blended, tipped, dyed, or pointed, must be described as such: as, "Black-dyed Fox," or "Pointed Fox."

(3) Where the name of any country or section is used, it shall be the actual country of the origin of the furs: as, "American Opossum." Where the name of a country or place is used to designate a color, the fact shall be indicated: as, "Sitka-dyed Fox."

(4) Where goods are sold under a registered trade-mark that trade-mark should not, by intent or otherwise, be capable of misrepresentation by the public. In case of trade-marks heretofore established in common use, the advertisers should invariably indicate by suitable descriptive matter in addition to the trade-mark just what the fur is, or better, the trade-mark should be modified so as to include the descriptive matter.

FAILURE of the trade practice conference of the motion picture industry to provide for final elimination of block booking has led the Federal Trade Commission to disapprove the report of compliance sent to it by a major motion picture corporation in response to an order to cease and desist issued to the company last July.

The Commission announces that it purposes to proceed to enforce its order unless a satisfactory compliance is offered by the motion picture corporation.

The order issued last July prohibited the formation of a conspiracy in restraint of trade and competition, block booking of motion pictures, and the acquisition or threats of acquisition of theaters in any locality to enforce the sales of the company's pictures. In its report of compliance the company announced that it had caused to be prepared instructions which were sent to the district and branch managers of the corporation.

The instructions were a discussion of block booking in which it was stated that no adequate substitute for block booking had been proposed in the trade practice conference under the Commission last October. All branch and district managers were instructed to cooperate in the enforcement of recommendations of the industry adopted at the conference.

SETTLEMENT of 18 cases by stipulations in the three weeks beginning February 26 was announced by the Commission. The cases had to do principally with misbranding and other unfair trade practices.

Advertising imitation jewelry products as genuine is prohibited in Stipulation 145. A company which used such words

as "morocco," "ruby," "sapphire," "emerald," "ivory," "Sheffield plate," and "platinum" to advertise imitation articles entered into an agreement with the Commission to discontinue the practice.

In Stipulations 140, 141, 142, 143, and 144, companies agreed to abandon unfair practices in competition. One music correspondence school was offering ukeleles and other instruments free of charge to persons enrolling for its course in music. Its advertising described the offer as "remarkable" and represented that the instruments were made of expensive materials. Investigation proved that the price of the instruments was included in the regular tuition fee and that the materials used were not what the company represented. (Stipulation 140.)

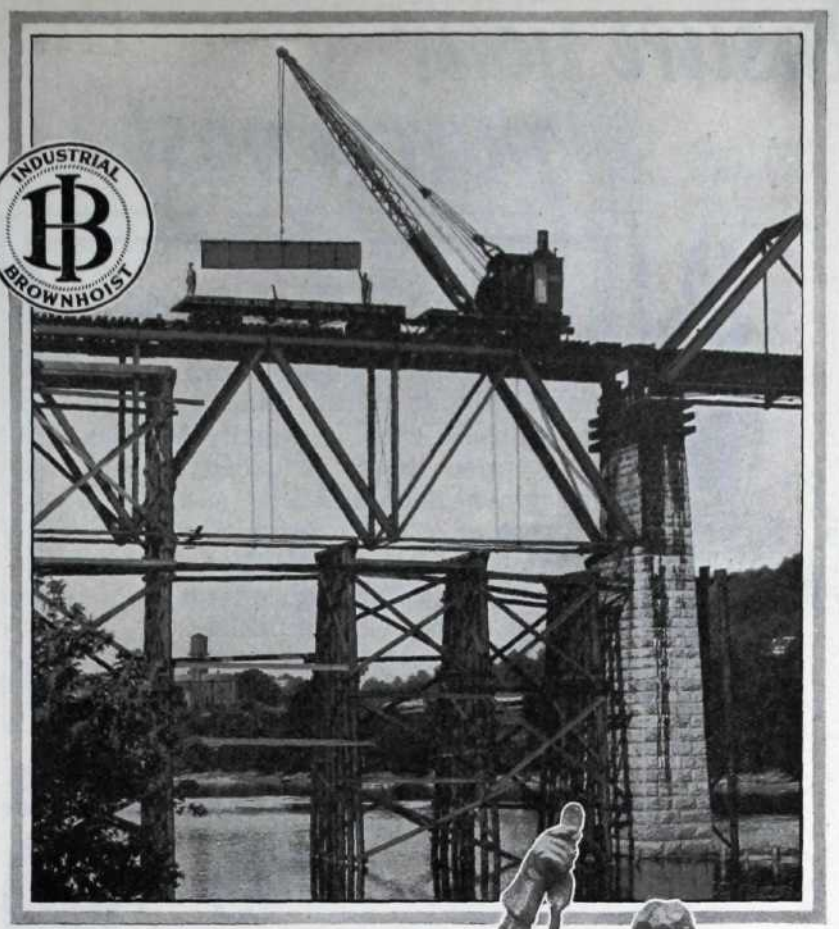
Other unfair practices covered in this series of stipulations were: Describing and advertising several kinds of imitation jewelry as genuine; using the word "wool" to describe garments containing no wool, the word "serge" to advertise garments not wholly of wool, and the word "silk" to designate garments composed of a product not made by the silk worm; using "linseed" as a brand or label for products not made wholly of linseed oil; misapplying the expressions "fashioned" and "seamless" to hosiery not meeting the requirements understood by the trade to underlie use of such terms.

Stipulations 130, 131, 132, 133, and 134 prohibit the following unfair practices in competition: (1) use of the word "creosote" to designate a product containing no creosote; (2) use of the words "grape," "strawberry," or "cherry" to describe soft drink syrups containing no substantial proportion of the natural juice of the fruits named; (3) designation of old and second-hand bedding material for mattress making as "Guaranteed 100 per cent New Material"; (4) misrepresentation of imitation jewelry products as genuine "ivory," "ruby," or "sapphire"; (5) misrepresentation of imitation leather or Morocco products as genuine leather or morocco.

TWENTY-FIVE manufacturers of wall paper, organized as members of a national unincorporated association, have agreed to discontinue joint arrangements for fixed freight allowances and fixed terms of sale (Stipulation 129).

Members of the association agreed to cease and desist from entering into any agreements or understandings whereby fixed or definite freight allowances or fixed or definite terms of sales are agreed upon. They further declared that they would discontinue adopting, circulating, or publishing rules or regulations governing transportation allowances or terms of sale, whereby fixed or definite freight allowances or fixed or definite terms of sale are agreed upon or put into effect.

These companies also agreed that each member of the association shall hereafter fix its own transportation allowances and terms of sale without consultation, discussion, agreement or understanding with





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other members of the association or any other manufacturers of wall paper. The respondents further agreed to withdraw from circulation a set of "trade regulations" drawn up for the benefit of members of the association.

A corporation engaged in the manufacture and sale of blankets has agreed to discontinue representing its blankets as wool as long as they are composed in part of material other than wool (Stipulation 128).

CHARLOTTE, North Carolina, has been selected as the location of a new district office of the Department of Commerce. Six new district offices will be opened formally on or before July 1, when the new appropriations become available. The department will then have 29 district offices and at least 34 cooperative offices throughout the United States.

A CONTINUANCE of the movement of population from farms to cities, but at a less rapid rate than in preceding years, and an increase in the movement from cities to farms, is reported by the Bureau of Agricultural Economics. The Bureau estimates that 1,978,000 persons left farms last year, compared with 2,155,000 in 1926 and 1,900,000 in 1925. Offsetting this movement, 1,374,000 persons moved from cities to farms last year, compared with 1,135,000 in 1926 and 1,066,000 in 1925.

THE BUREAU of Foreign and Domestic Commerce has issued a bulletin, "Taxation of Business in Great Britain," which discusses the British income tax and other British taxes from the viewpoint of the American exporter and investor. The bulletin may be obtained from the Bureau or from the superintendent of documents. The price is 20 cents.

THE TOTAL production of electricity by public-utility power plants in 1927 is estimated by the Department of the Interior, through the Geological Survey, at about 79,700,000,000 kilowatt hours, an increase of about 8 per cent over the output for 1926, which was 73,791,000,000 kilowatt hours. The estimate for 1927 is based on reports of monthly output of electricity by public-utility power plants for the eleven months, January to November, and estimated figures of output for December. The latest monthly report, released January 4, contains the figures of monthly output for September, October and November.

ENGINEERING works for flood control on the Mississippi should be supplemented by the improvement of surface conditions in the entire basin through forestry, sodding, and terracing of steep plow lands so as to hold back rainfall and reduce soil erosion, according to a bulletin on "Forests and Floods," issued by the Forest Service,

United States Department of Agriculture. The report, written by Ward Shepard, Forest Inspector, advocates that the land surface drained by the river system be put in the best possible condition to absorb the rain water while it is spread harmlessly over the surface and before it attains mass and speed in stream channels. Vigorous, dense vegetation, especially forest and grass, is one of the principal means of maintaining good surface conditions.

CONTINUED growth of simplified practice as a means of eliminating waste in industry is made evident by the completion in 1927 of 18 new simplified practice recommendations, bringing the total projects completed to 80, Ray M. Hudson, assistant director in charge of commercial standards group, Bureau of Standards, reports in a review of the activities of the Bureau last year.

That simplification yields benefits sufficient to attract manufacturers, distributors, and consumers alike is demonstrated in the high degree of adherence shown by reviews of 15 simplified practice recommendations already promulgated. The report shows that acceptors representing an average of 82.61 per cent of the total volume of the industry affected are following the simplified practice schedules.

The list of associational endorsers of the recommendations grew from 686 to 898 in 1927, that of individual concerns from 2,775 to 6,676.

THREE important new educational motion pictures have been added to the collection of films possessed by the United States Bureau of Mines, Department of Commerce. "The Story of Petroleum," produced in cooperation with the American Petroleum Institute, shows the latest engineering and technical developments in this industry.

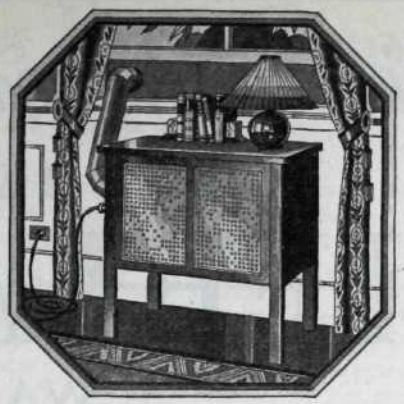
"The Story of Iron," produced with the aid of three large iron companies, portrays every step in the production, from the mining of the ore to the final blast-furnace operations.

"The Story of the Fabrication of Copper," also made in cooperation with industrial interests, supplements the Bureau's 10-reel feature film, "The Story of Copper."

Distribution of the films is centered at the Bureau's Experiment Station at Pittsburgh. The films may be obtained also from several sub-distribution centers. Information may be had from the Bureau, which has issued an announcement of its plan of distribution.

NOTE: *Copies of the Commission's complaints, respondents' answers, and the Commission's disposal of the case may be obtained from the offices of the Editor of* NATION'S BUSINESS *or from the Commission without charge by reference to the Docket Number. Transcript may be obtained through the Commission at 25 cents a page. The price of all other items available to the public is given in the article.* —THE EDITOR.

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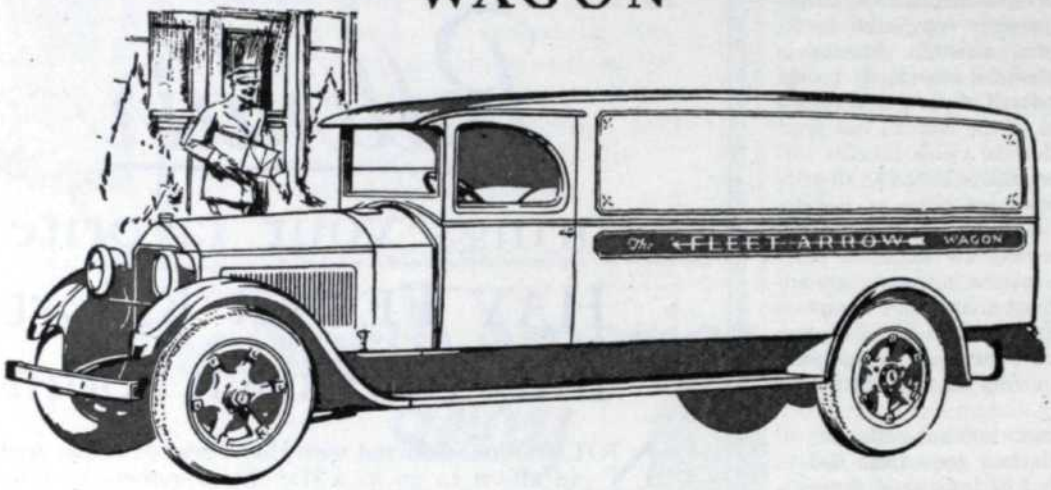
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Kansas Tackles Its Farm Problem

By C. A. LOVELL

MANY, perhaps most, Americans have heard the slogan "Kansas Grows the Best Wheat in the World." They will remember the advertising "stunt" which took a Kansas farm girl into all the more thickly populated portions of the country for the purpose of making that claim of excellence a matter of universal knowledge.

But, out in Kansas, the men who know most about Kansas wheat do not admit that it is perfect, even though it be the best.



Claim of Excellence

The men of the state agricultural college do not admit it, nor the millers and grain dealers, nor even those farmers who think with an eye open to facts.

The normal Kansas wheat crop is around 100,000,000 bushels annually, from something like 10,000,000 acres. In a rough and ready way of looking at the matter, then, each acre produces about 10 bushels.

That in itself is rather condemnatory. An acre that does not produce more than 10 bushels of wheat is not doing its job efficiently.

Still, in round figures, the Kansas wheat crop is worth about $100,000,000 each year; and the men of the agricultural college estimate that in 1926 one agency alone reduced the value of the crop by $13,908,000. Here, again, is a matter worth looking into.

The agency was smut, or bunt as the scientists know it, a disease of fungoid nature. Millers always discount the price when smut is present, and they do not like to take smutty wheat even at the reduced price.

Kansas Yields Too Low

KANSAS wheat yields, therefore, are too low per acre, and Kansas wheat, good though it be, is far from perfect. A few years ago the men at the Kansas State Agricultural College, at Manhattan, began thinking about a plan to better the state's farm condition as a whole, and its wheat condition particularly. Out of the thinking there has come the program known as the Kansas Wheat Belt Program, a sort of home-brewed farm relief.

Very early the college men saw that they must plan in terms of several years. They saw, also, that one of the prime needs would be to get their program before the farmers themselves.

Scientific agriculture already knew many things that would benefit wheat farming, and more things are being learned daily, but a difficulty, of course, lay in putting those things in practice.

Someone at the college conceived the idea of enlisting the aid of business in getting the better wheat and better farming program to the farms. Subsequent events have proved that idea to have been the best gift that has come to Kansas farmers in many a year.

Chambers of Commerce were approached, and boards of trade, railroads, and associations of business men in various lines.

All of these things took place back in 1924 and the fore part of 1925. The program was mapped out to run over five years, starting in 1925 and ending in 1930. Three years of the program now are completed, and for three successive seasons the trains have operated over the Santa Fe and Rock Island.

The first purpose of the program is that it shall bring about a sound economic and productive basis for all wheat belt farms. It does not aim to increase the acreage of wheat, but rather provides for a more profitable per acre production. The program is predicated upon the conviction that this goal may be attained by (1) more effective marketing, (2) crop standardization, (3) elimination of losses through insects and disease, (4) intelligent soil management, and (5) diversified agriculture.



Professors Began Thinking

Wheat is not the only crop receiving attention. Wheat comes first because wheat *is* first in Kansas, but other grains are not forgotten. Livestock raising also has its place; and the problems of the homemaker get a good part of the time while each train is out.

Each year the trains are operated just after the wheat harvest. The college men are free then, and the results of the previous year's work on the farms are fresh at hand. Each train is made up



Showing Improvement

of several cars containing exhibits, a flat car for public speaking, and sleeping and dining cars for the personnel.

A train stops at each station long enough to give all the speakers a chance to tell their stories. The audience is invited to ask questions, to bring individual problems for consideration, diagnosis and suggestion, to view the exhibits, to learn in every way possible.

All this costs money. In 1926 it was figured that the expense of operating the trains totaled $24,223. But, as the trains made sixty stops and the attendance at the various meetings ran up to 158,300, the *per capita* cost of the project that year was only 15 cents.

Proves a Real Benefit

WITH THREE years of the program completed, it is possible, also, to check some of the results that have been obtained, and in this way it is found that the expense is insignificant in comparison with the benefits.

One of the things the men on the trains have told wheat farmers is that the $14,000,000 smut loss can be reduced materially or even prevented altogether by treating seed wheat.

Check-ups were made following the operation of the trains in 1926, and it was found that 1,725,760 acres of wheat were planted that fall with treated seed. Six hundred and sixty power-operated, large-capacity, seed-treating machines were sold, 764 home-made treaters were used, and custom treating was established as a general practice.

Not all the seed-treating was due to work done by men on the trains. But the wheat train alone was responsible for bringing about treatment of seed planted on 292,500 acres in counties where no agency but the train was actively advocating seed treatment.

A point in proof that the wheat trains have brought about a more general interest in better methods on the part of farmers is seen in the report of county agents that 20,496 farmers inquired for sources of good seed in 1926, 15,860 in 1925, and only 4,455 in 1923.

At county seed exchanges, 1,367 samples were displayed in 1926 and 41,385 bushels sold, while in 1925 only 756 samples were displayed and but 30,802 bushels sold.

The women of the farms got something more to their liking in the 1927 trains than the trains previously had carried. Women of the domestic science departments of the college planned a model kitchen and supervised its construction in one of the cars. The way the women—and even the men—showed their interest in it at the various stops was most enlightening.

The program has not solved all the troubles of Kansas farmers, but it is helping to solve some of them.

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BUSINESS has accepted the imperious challenge to correlate and harmonize the conflicting forces in commerce, trade, and industry. That challenge is to the business man, not to the politician, the schoolmaster, the preacher, the lawyer, or the engineer.

"The Principles of Business Conduct" simply express the practical idealism implanted in the minds and hearts of successful American business men, and remove the conventional screen which hides it from the general view.—JUDGE EDWIN B. PARKER, in "The Principles of Business Conduct."

Why Industry Is Moving

DURING 1927, 1,233 new manufacturing plants were established in 406 cities which also recorded the setting up of 218 branch plants and 250 removed plants. These 1,701 factories employed 93,026 people. These facts are taken from a study made by Organization Service of the National Chamber on the migration of industry in 1927.

What new industries are there, what is their size, their products? What branch plants have been established? What is the number and importance of industries which have moved from one community to another and how far have they moved? These are among the questions which the survey covers.

The report does not give a complete picture of industrial migration in the United States during 1927; but it is felt that sufficient data have been gathered to give an accurate indication of the trend of industrial development. The report includes manufacturing plants only. Seven hundred and fifty-five cities replied to the questionnaire; of these 349 reported no new manufacturing plants.

The factors which determine the location of a manufacturing plant are numerous. It may be the advantage of a certain type of labor or it may be cheap power. Nearness to raw materials is an important factor for some industries. Transportation facilities, distributive problems, climatic conditions all play a part in determining location. Not only must the matter of location be considered but conditions within an industry must be studied to determine if a plant is doomed to failure. For instance, excess productive capacity is a load which all the community enthusiasm in the world can't carry.

The report is divided into six studies. Number 1 shows by city and state the number of plants established, whether new, branch or removed, how they were financed—by local or outside capital—and the number of men and women they employ.

Number 2 presents by city and state the relative size of the plants established.

Number 3 is an industries classification of each plant, with relative sizes by number of employes. The industries classification is based on the 1925 Census of Manufacture.

Number 4 classifies the branch plants. It shows the location and population of the cities in which main and branch plants are located and the distances between the two.

Number 5 classifies the removed plants. It compares the location and size of the cities from where and to where removed, together with the distance of the removal.

Number 6 is a recapitulation, with additional information but no names, of the cities from which word came that no plants had been established in 1927.

Those interested in industrial promotion and the causes of the migration of industry will find the report of immense value. Plans are already under way for next year's study, which it is hoped will be even more complete.

They Take a Regional View

INDUSTRIAL DEVELOPMENT is the big topic of conversation on the Pacific Coast at the present time, according to Colvin Brown, manager of Organization Service of the National Chamber, who has just returned from a two-month trip through California, Texas, Arizona and New Mexico. Tourists have been sought and they will continue to be sought. What might be called monopoly

..80,000 cards ...that should have been good for a lifetime

A PROMINENT life insurance company kept what was known as a "permanent record" of its policyholders. Each of the 80,000 cards that made up the record bore from one to forty or fifty entries, showing policies in force, premiums paid, loans, examinations—all information of vital importance. And they might be needed for as long as 85 years.

When the cards were originally ordered, the purchasing department specified an index bristol of a certain weight . . . a good white color . . . a smooth writing surface . . . and, of course, a price as low as was compatible with these qualities. They got just what they asked for.

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Every five years or less, these cards were being reprinted and recopied, with labor and expense, besides a serious danger of possible omissions.

The report of the Bureau recommended for this purpose a high quality rag index bristol, strong enough to withstand all the hard usage of a lifetime. The cost was about $2 a thousand higher than that of the original cards—$160 for the entire 80,000. But today the company has a record which is truly *permanent* by using cards that do not have to be replaced.

It would not be fair to hold the purchasing department responsible in this case. The standardization of papers is a matter for expert technical judgment, never before available to the average business house. *Today*, however, for an increasing number of firms, the possibility of costly errors in paper-buying has been eliminated. The Paper Users' Standardization Bureau has given them a sound basis for all their purchases of paper.

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It is made without charge or obligation of any sort. American Writing Paper Company, Inc., Holyoke, Massachusetts.

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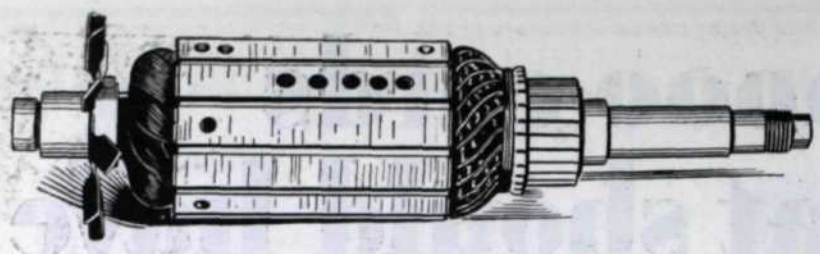
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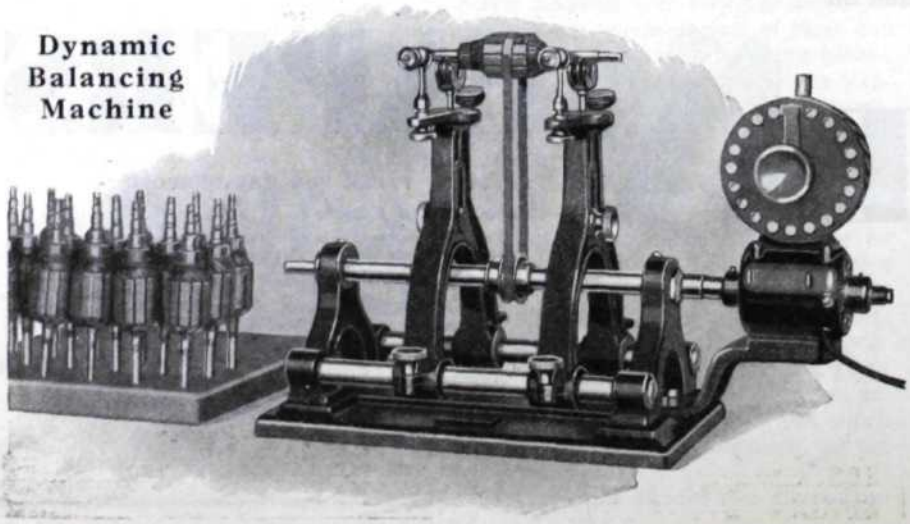
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Dynamic Balancing Machine



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crops have been another important factor in California's development. At the present time these crops are having a rather hard time due to over-production, but it has not affected the state as it would have a few years ago because of industry's development.

Cheap fuel in the form of oil and hydroelectric power are near at hand. In the Orient, California sees a developing market with great possibilities. An interesting example of manufacturing efficiency is that of a tannery which gets all its raw materials from South America and sells all its product in the Orient.

Even more important than these factors is the development of regional thinking. The Los Angeles Chamber of Commerce deserves a lot of credit for this, as it has looked on its field as covering the whole section rather than limiting its activities to Los Angeles. The goodwill which this has developed is accelerating economic processes.

Handbook For Foreign Trade

FOREIGN TRADERS will find of special value to them the "Foreign Commerce Handbook" for the period 1928-1929, just issued by the Foreign Commerce Department of the National Chamber. In this handbook, the department gives a list of the leading sources of export and import information and service in the country. Certain general sources rendering a wide variety of service are described briefly, after which, under 93 alphabetically arranged topical headings, reference is given to government agencies, associations, publications, etc., from which Chamber members may get help in foreign trade.

At the end of the handbook the department gives a list of the foreign trade policy matters that have occupied the attention of the National Chamber. The handbook will be sent for 10 cents.

Two States Are Planning Surveys

TWO STATES will have industrial surveys covering their whole territory if plans now being formulated are carried out. The secretary of the Virginia State Chamber of Commerce informs us that an engineering concern has been employed to make a state-wide industrial survey of Virginia. The first work to be undertaken will be a preliminary survey to be completed this year. Three or four years will be required to complete the work of planning for Virginia's industrial future.

General surveys of Mississippi towns and cities to determine what types of industries particular cities have resources and raw materials to accommodate will be conducted in 1928 according to L. O. Crosby, president of the Mississippi State Board of Development. Officials point out the folly of assisting communities in attracting or creating industries for which they offer little, industries that other cities could best accommodate.

Special emphasis is being laid upon

resources for the manufacture of paper, furniture, woodwork in general, thus utilizing forest by-products. A minerals survey recently conducted by the Board discloses the presence in Mississippi of various raw materials not heretofore known to exist in the state, and as a result L. J. Folse, general manager, has issued a minerals and transportation map of the state.

Charity, too, Is Becoming Cooperative

"CHARITY lies not alone in the realm of efficiency. It is a matter both of efficiency and of the spirit. Charity may be either a democracy or a benevolent despotism.

"The community chest represents real democracy," declared Herbert Hoover in addressing the Association of Community Chests.

In 1917 there were but 14 community chests raising about $3,000,000. In 1927 there were 300 raising about $66,000,000 and passing on total expenditures of $160,000,000. Community chests have succeeded in financing and systematizing the social welfare of their communities more nearly adequately than ever before.

Eight group conferences between laymen and community chest workers discussed various phases of Community Responsibility for Human Welfare. These topics were:

Cooperation between national welfare organizations and local communities, relationship of local and national corporations to community welfare, how may permanent funds best be given or bequeathed for human welfare, the fund-raising campaign, division of responsibility for welfare work between local government and private organizations, which local organizations should be included in community chests, importance of a fact basis for welfare programs, educational publicity.

William Cooper Procter of Cincinnati was chairman of the Conference. The headquarters of the Association are at 43rd Street and Lexington Avenue, New York City.

Committee Is Studying Local Taxes

STATE and local taxation are being studied by a special committee appointed by President Pierson of the National Chamber.

Offers of help and requests for information have come from all parts of the country.

Finance, industry, and agriculture are represented on the committee, which is under the chairmanship of Felix M. McWhirter, president of the Peoples State Bank of Indianapolis, and the membership will include economists, tax experts, and government officials.

The problem is not one of cutting expenditures so much as it is seeing that the public get a dollar's worth of value for every dollar spent. "State and municipal expenditures have reached totals which compel the consideration and con-

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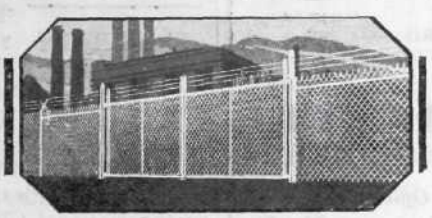
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structive effort of the taxpayers themselves," according to Mr. McWhirter, who pointed out that: "The effectiveness of this nation-wide program rests upon the local chambers of commerce and trade association which are organization members of the National Chamber. The latter will provide facts and information on various state and municipal tax questions and, through this new committee, will go energetically into the study of the situation and the determination of successful, practical measures for improvement."

Members of the committee besides Mr. McWhirter are: Robert W. Bingham, publisher, *Louisville Courier-Journal;* F. H. Clausen, president, Van Brunt Manufacturing Company, Horicon, Wis.; Thornton Cooke, president, Columbia National Bank, Kansas City, Mo.; John M. Crawford, president, Parkersburg Rig and Reel Company, Parkersburg, W. Va.; Franklin S. Edmonds, attorney, Philadelphia; D. C. Everett, president, Marathon Paper Company, Rothschild, Wis.; Fred R. Fairchild, professor of Political Economy, Yale University; William Fortune, Indianapolis, Ind.; Mark Graves, New York State Tax Commission, Albany, N. Y.; C. C. Hieatt, president, Consolidated Realty Company, Louisville, Ky.; Robert P. Hooper, vice-president, William E. Hooper & Sons Company, Philadelphia; John Lansdale, Tax Commissioner, Southern Pacific R.R. Lines, Houston, Texas; H. C. McKenzie, New York State Farm Bureau Federation, Walton, N. Y.; Edward P. Peck, Omaha Elevator Company, Omaha, Nebr.; H. H. Rice, assistant to the president, General Motors Corporation, Detroit, Mich.; Lent D. Upson, director, Detroit Bureau of Governmental Research, Detroit; George Vaughan, attorney, Little Rock, Ark.; and W. F. Willoughby, director, Institute for Government Research, Washington, D. C.

Flood Relief Financing

THE BOARD OF DIRECTORS of the Flood Credits Corporation, according to a recent letter of its president, Mortimer N. Buckner, to all subscribers to the corporation bonds, is unanimously in agreement with the Board of Directors of the National Chamber that the Corporation should continue its work, by providing credit facilities for the financing of the 1928 crop in the flooded areas.

It will be recalled that the Flood Credits Corporation was organized upon the initiative of the National Chamber, pursuant to the direct request of the President of the United States, and that continuance of its operations was urged at the meeting of our Board at West Baden Springs.

The Corporation, following its plan of working through local agencies, now owns $125,000 of the capital stock of the Arkansas Farm Credit Company and $80,000 of the capital stock of the Mississippi Rehabilitation Corporation. The Louisiana Farm Credit Company has not



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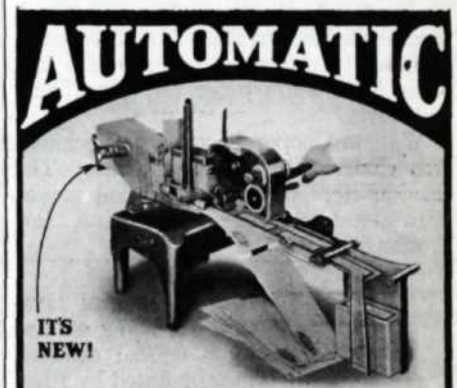
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found it necessary to resort to the Flood Credits Corporation for funds.

The fund of $1,750,000 sought by the Flood Credits Corporation was oversubscribed by 40 per cent. Only 30 per cent of amounts subscribed have been called, and the Corporation feels that the cash now in its treasury is in excess of the amount which it is likely to be called upon to advance during 1928.

Chambers Open Airports

NEW AIRPORTS are being established throughout the country. The latest to come to our attention are those of Winfield, Kansas, and Spokane, Washington. In both these cases the local chambers took active part.

An interesting plan was that followed by the Toledo, Ohio, Chamber of Commerce. They have secured a permanent airport which will become a regular stop on the Transcontinental Air Mail. Stock subscriptions were received amounting to $257,000. Those interested in the plan may secure a pamphlet describing it from the secretary of the Toledo Chamber.

Influencing Congress

LOCAL CHAMBERS of commerce are often asked by individual members to pass resolutions on every conceivable subject and to transmit copies of the resolutions to representatives in Congress. Recently the Palo Alto, California, Chamber of Commerce wrote the National Chamber about this problem. They expressed the opinion that local chambers should not pass resolutions on national questions unless such request comes through the National Chamber and is part of a program that has been sufficiently studied so that accurate information is available; nor should it pass resolutions on any subject, local or national, simply because it is asked to do so. Concluding, the letter says: "The prestige of chambers of commerce is weakened in the eyes of the public and in the opinion of our political representatives when chambers of commerce resolve promiscuously."

In answering this letter the National Chamber said in part:

> You hit upon one of the greatest weaknesses of a chamber of commerce. The other day a congressman told me that a chamber of commerce in his district sent him a telegram telling him to vote against a certain bill. He said he had been committed in favor of the bill and the telegram worried him considerably. He voted for the bill. The next time he went home, he went to see the secretary and president of the chamber of commerce and said to them that if they were interested in that piece of legislation they should have gotten on the job before the last minute. The president said: "Oh, that didn't make any difference. We sent you the telegram because one of our members asked us to."
>
> This shows how prone an organization is to do what it is asked to do. I don't



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think a chamber of commerce or an individual business man should take any action in relation to Congress or to legislation unless he or the organization has made some real study of the subject and formulated an opinion. As far as the National Chamber of Commerce is concerned, you have an opinion on most subjects on which most of our member organizations have already rendered an opinion, or, if they have not, the majority of our members have. Therefore, you have a guide. But you should be certain that your own opinion agrees with that of the National Chamber rather than just support it pro forma.

"Principles" Are a Best Seller

MORE THAN 250,000 copies of "Principles of Business Conduct" have been distributed since their adoption by the National Chamber in 1924. Eight hundred and forty-nine chambers of commerce and trade associations have officially adopted them. Hardly a day passes without some organization or individual writing to the National Chamber for copies. In view of the fact that during the last year no special effort has been made to bring the subject before the membership, the continuing interest would make it appear that men are giving more thought to the basic business philosophy epitomized in the "Principles of Business Conduct."

An indication of how highly they are esteemed is given in a recent letter from Professor Taeusch, of the Harvard School of Business Administration, who writes:

I have for some time regarded your "Principles of Business Conduct" as one of the best of the many codes which have been drawn up. That this is not flattery, you may know from the fact that I made the statement in my "Professional and Business Ethics" which was published in 1926, and in which I sketched the problems of business ethics largely on the basis of your "Principles."

Planning with an Eye to the Future

CITIES that men planned to serve an area of twenty square miles have had to expand their facilities to care for the needs of a population covering a hundred square miles. Improved transportation has in many cases relieved congestion.

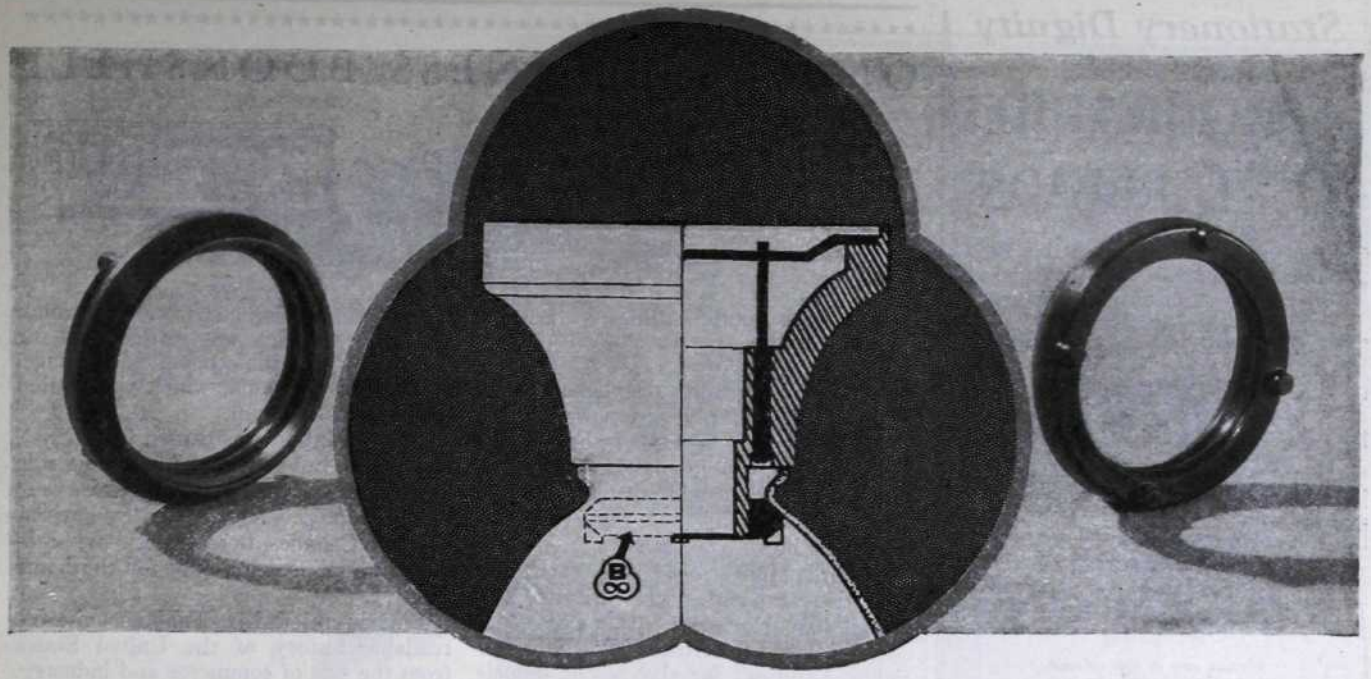
What is the business man's interest in city planning? What, in fact, is city planning? To answer the second of these questions first, we find, according to a publication of the Civic Development Department of the National Chamber, that it is "the proper coordination of all phases of civic development to the end that a city may grow in a more orderly way and provide adequate facilities for living, working and recreation." The first question is answered by quoting the meaning of city planning, "the budgeting of future improvements to secure an orderly and uniform growth for the entire community and prevent overexpansion of one phase of development at the expense of others."

We are suffering now from a lack of such plans. "City Planning and Zoning Accomplishments" is a résumé of what has been done to meet present conditions and provide for the future. Copies may be obtained upon request.

Coming Business Conventions

(From Information Available April 1)

Date	City	Organization
May		
April 30–May 3	West Baden, Ind.	Wholesale Stationers Association of U. S.
1–4	Detroit	Air Brake Appliances Association.
1–4	Detroit	Air Brake Association.
1	Chicago	Incubator Manufacturers Association.
2–5	Dallas	Southwestern Public Service Association.
3–5	White Sulphur Springs, W. Va.	Federation of Mutual Fire Insurance Companies.
3–5	White Sulphur Springs, W. Va.	National Association of Automotive Mutual Insurance Companies.
3–5	White Sulphur Springs, W. Va.	National Association of Mutual Casualty Companies.
3–5	Atlantic City	Scientific Apparatus Makers of America.
7–10	Dallas	American Gas Association.
7–8	Chicago	American Incubator Manufacturers Association.
7–8	Cleveland	Association of National Advertisers.
7–11	Washington	Chamber of Commerce of the United States.
7–9	Absecon, N. J.	National Association of Printing Ink Makers.
7–10	Atlantic City	National Fire Protection Association.
7–13	Del Monte	Pacific States Paper Trade Association.
7–11	St. Louis	Terrazo Contractors Association.
9–11	St. Louis	American Institute of Architects
8–10	St. Louis	Associated Cooperage Industries of America.
8	New York	Music Publishers Protective Association.
8–10	Detroit	National Association of Manufacturers of Cooking and Heating Appliances.
11–12	Rochester	Advertising Affiliation.
10–11	Washington	American Institute of Refrigeration.
14–17	Atlantic City	American Booksellers Association.
14–18	Philadelphia	American Foundrymen's Association.
14	New York	Atlantic Coast Poultry Producers Association.
15–16	Nashville	American Supply and Machinery Manufacturers Association.
15	Albany, Ga.	National Pecan Growers Association.
15–17	Nashville	Southern Supply and Machinery Dealers Association.
15–19	Los Angeles	The Film Boards of Trade.
16–17	White Sulphur Springs, W. Va.	American Refractories Institute.
16–17	New Orleans	Interstate Cottonseed Crushers Association.
16	New Orleans	Southern Cypress Manufacturers Association.
16–18	Swampscott, Mass.	Western Insurance Bureau.
17	New York	National Safe Deposit Advisory Council.
18–19	New York	National Safe Deposit Convention.
19	Providence	National Association of Woolen and Worsted Overseers.
20–22	Swampscott, Mass.	New England Bakers Association.
22–24	Chicago	International Association of Garment Manufacturers.
22–26	White Sulphur Springs, W. Va.	National Association of Direct Selling Companies.
22–25	Cleveland	National Association of Sheet Metal Contractors.
22–24	Chicago	National Association of Shirt Manufacturers.
22–25	New York	National Paper Box Manufacturers Association.
22–23	Detroit	National Pipe and Supplies Association.
22–24	Atlanta	Southeastern Retail Hardware and Implement Association.
22–26	Dallas	United States League of Local Building and Loan Associations.
23–24	New York	National Lime Association.
23–25	Cleveland	Master Boiler Makers Association.
23–25	Cleveland	National Coal Association.
24–26	West Baden, Ind.	American Feed Manufacturers Association.
24–28	Cincinnati	American Wholesale Grocers Association.
24–26	West Baden, Ind.	Millinery Association of America
24	New York	National Board of Fire Underwriters.
24–26	Hot Springs, Va.	Refrigerating Machinery Association.
25	New York	American Iron and Steel Institute.
28–31	Kansas City	National Association of Purchasing Agents.
29–31	Memphis	National Editorial Association.



Locking rings of Bakelite Molded, and the manner in which they are used on the Porc-O-Lite. Made by the Perfectlite Co., Cleveland, Ohio

A simpler, better shade holder made possible *by* Bakelite Molded

SIX or more operations were required by the former method for attaching glass shades to lighting fixtures. With the Bakelite Molded locking ring only one is needed. The fixture maker says that this neater, better Bakelite Molded method has "contributed greatly to the salability of the product."

As is usually the case, the improved Bakelite Molded part is produced economically. Eight of the rings are completed in a single operation, through the use of a multiple cavity mold. The threading and the lugs are formed, and the lustrous surface acquired in the mold. Neither machining nor polishing is required.

In thousands of instances Bakelite Molded is being used to improve design, increase salability or reduce cost —and often to accomplish all three. Why not investigate its possibilities for your own work?

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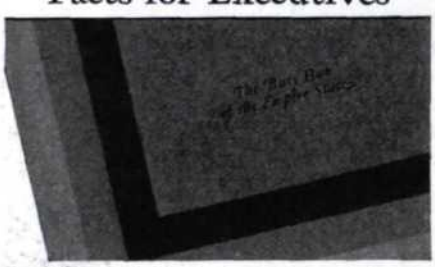
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ON THE BUSINESS BOOKSHELF



The Story of Public Utilities, by Edward Hungerford. G. P. Putnam's Sons, New York, 1928.

Without railroads, telephones, telegraphs, water supply and power, lighting and heating facilities, what would modern American life be like? As we understand it, it would not exist. So we may see how vitally these public utilities affect our life.

Edward Hungerford, long connected in various capacities with utilities, and known to our readers by an occasional contribution, has written "The Story of Public Utilities" for the use of schools in Rochester. As a text, the Board of Education of Rochester will use the book to supplement texts on science and social studies; but as an informational book, we feel sure that part of the public wishing to get a general understanding of our utilities will find it interesting.

Development of Trust Companies in the United States, by James G. Smith. Henry Holt and Company, New York, 1928. $6.25.

This is a comprehensive study of trust companies of the United States. It considers the social and political as well as economic aspects of fiduciary functions of a modern trust department.

The section on present trust problems is based largely upon the returns from questionnaires sent to trust departments of banks and trust companies and individual investors.

Economic History of the United States, by Harold Underwood Faulkner. The Macmillan Company, New York, 1928. $1.50.

Economic Institutions, by Willard L. Thorp. The Macmillan Company, New York, 1928. $1.50.

The Macmillan Company is publishing a new series of books, short, readable, yet scholarly and moderate in price.

"The World Today Bookshelf," as it is called, has only a few titles as yet, but books to be published show the scope and utility. Some of the forthcoming titles are: "American Government," "Labor and the Law," "Trade Union Policy," "European Governments" and "What Is Civilization?" That last is an interesting one. We wonder what compromise the author will choose between the extreme gauges of civilization: transportation and paper use.

The books of this series which we have before us are "Economic Institutions" and "Economic History of the United States." It is a sad mistake to study our politics and call it our history. America was discovered not for political expansion, but in seeking a shorter trade route to Asia. America was settled, not for politics, but for the economic advantage, except New England, which was settled for religious freedom.

Our revolution was caused by politics, to be sure, but it was the economic side of politics. Nature's economic laws were at that time severely treated by governments. Colonies were "subsidiary economic units" existing only for the home country.

But, in brief, Mr. Faulkner gives a readable history of the United States from the side of commerce and industry. Development of the west, transportation, the rise of labor, and other phases are included.

"Individuals adjust their expenditures to their incomes. . . . A government . . . determines what it shall spend, then it arranges for an income to yield that sum."

This quotation is taken from the chapter on government income in "Economic Institutions." The marked increase in governmental expenditures in recent years is explained by the increase in population, extension of governmental functions, more expensive warfare and public improvements.

Other things treated by Mr. Thorp are the effects of machinery, the price system, property, and business enterprise. The book might be called a work on economics without the dry-as-dust, dense reading. W. L. H.

RECENT BOOKS RECEIVED

Financial Advice to a Young Man, by Merryle Stanley Rukeyser. Simon and Schuster, New York, 1927.

The League of Nations, by Robert Jones and S. S. Sherman. Isaac Pitman & Sons, New York, 1927. $1.50.

The New England Economic Situation. A. W. Shaw Company, Chicago and New York, 1927. $2.50.

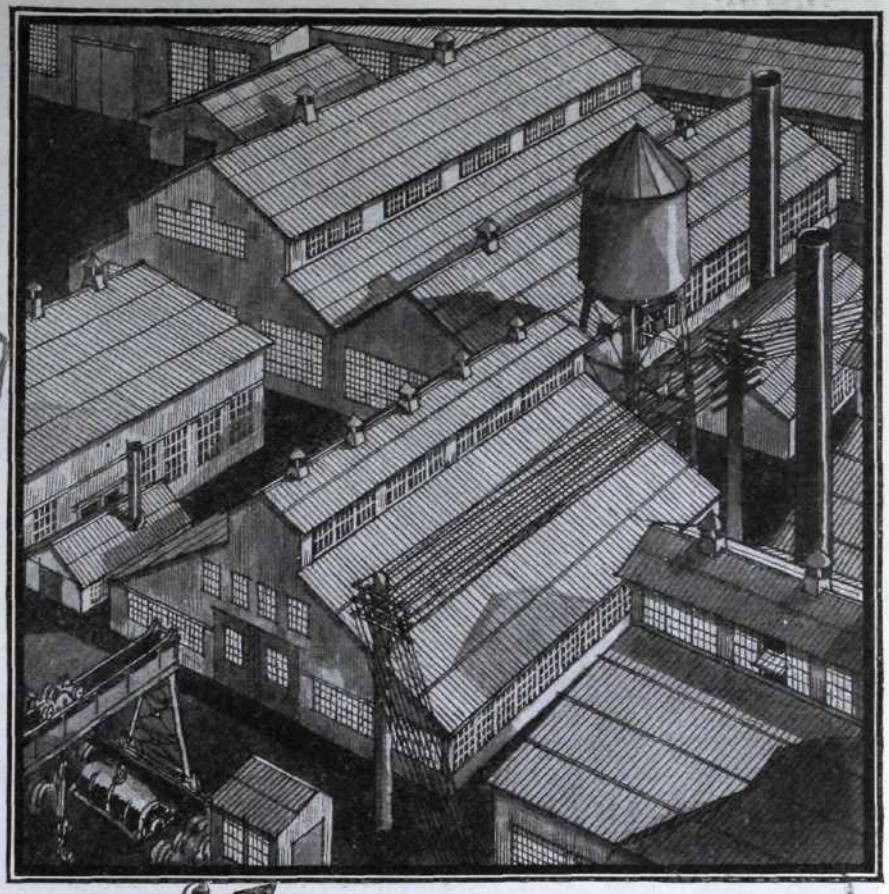
The Office of Indian Affairs—Its History, Activities and Organization, by Laurence F. Schmeckebier. The Johns Hopkins Press, Baltimore, Md., 1927. $3.

Principles of Public Administration, by W. F. Willoughby. The Johns Hopkins Press, Baltimore, Md.

Prohibition—Its Economic and Industrial Aspects, by Herman Feldman. D. Appleton and Company, New York, 1927. $2.

Advertising Investment Securities, by the Investment Research Committee of Financial Advertisers' Association. Prentice-Hall, Inc., New York, 1928. $5.

The Art of Argument, by Harold F. Graves and Carle B. Spotts. Prentice-Hall, Inc., New York, 1927. $2.



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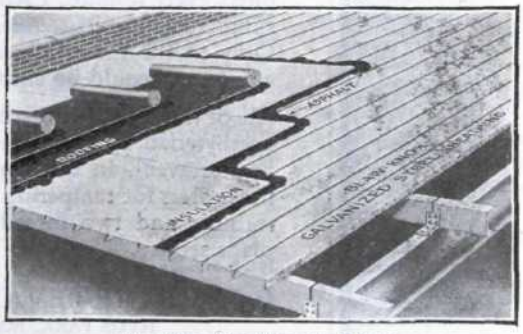
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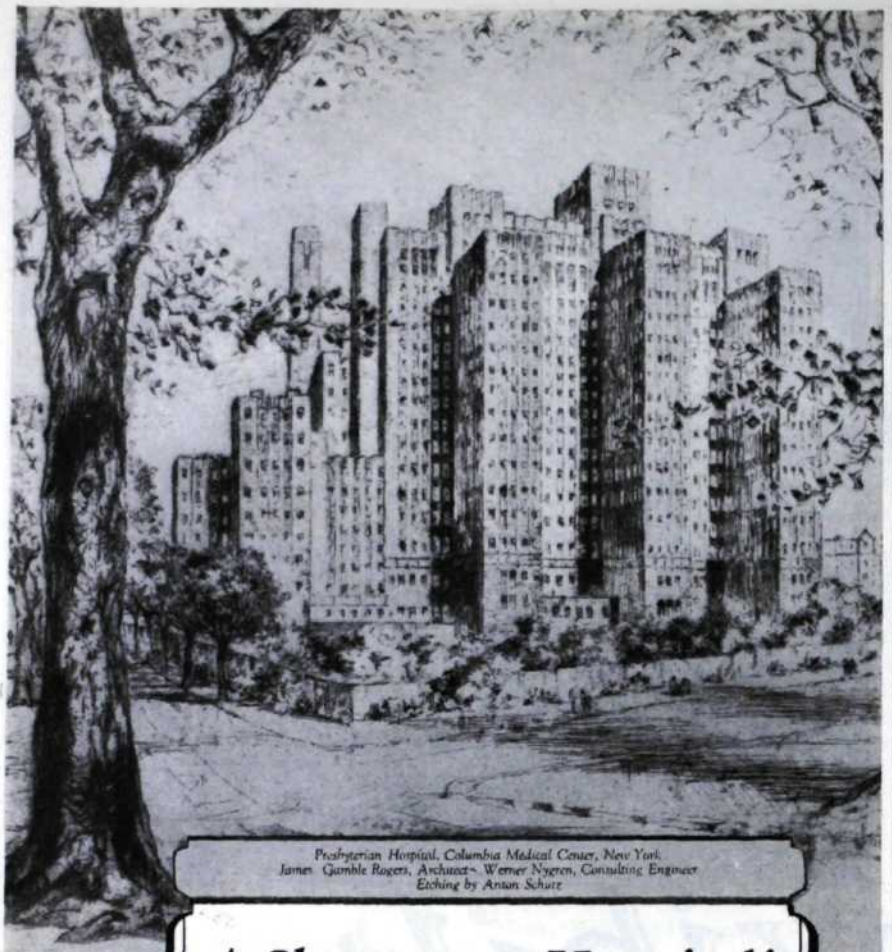
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Presbyterian Hospital, Columbia Medical Center, New York
James Gamble Rogers, Architect—Werner Nygren, Consulting Engineer
Etching by Anton Schutz

A Skyscraper Hospital!

DESIGNED by James Gamble Rogers, this massive, towering structure is a striking example of modern architecture. It is the new Presbyterian Hospital—the largest unit of the twenty-acre Columbia Medical Center in New York, now under construction.

Thorough ventilation is of utmost importance in this great institution. 369,000 cubic feet of pure, outdoor air—properly tempered—must be supplied every minute. Each minute over 700,000 cubic feet of vitiated air must be exhausted. Only to the most dependable and efficient of equipment could be entrusted this work.

All of the thirty ventilating fans installed in the Presbyterian Hospital were designed and built by Sturtevant. In addition, Sturtevant furnished the heaters for tempering the air, and two steam turbines and two forced draft fans for power plant service.

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HUMAN NATURE IN BUSINESS

By FRED C. KELLY

I WENT to a steamboat pier in New York recently to see a friend off to Europe. When I expressed hope of a safe voyage, my friend, who is a philosopher, declared:

"Oh, I don't think I'm in any danger of accident from now on. I crossed Sixth Avenue on foot en route to the boat and after that I assumed that the worst is over."

On the way back to my hotel, I got to wondering if automobiles in busy thoroughfares are really as dangerous to pedestrians as they appear to be, and at the first opportunity I hunted up a report of a leading accident insurance company. To my amazement, I found that three times as many pedestrians were injured by falling on the sidewalk, or on uneven ground, as were hit by automobiles.

Of course such figures are often misleading, for an icy pavement is dangerous anywhere, while automobile traffic is especially dangerous in a crowded section of a large city.

THIS insurance company paid nearly 6,000 accident claims to policyholders who were injured in their own homes, and only about 6,900 claims to those who were injured in or by automobiles.

ONE of the most successful groups of restaurants in New York City was started by accident. The man who is now the head of these restaurants used to travel about selling a certain brand of chocolate candy. He could have sold much more candy if it had been a famous advertised brand and he tried to persuade the manufacturers to launch a national advertising campaign. They were unwilling to do this and the traveling man determined to advertise the candy himself by featuring it in a little shop he would start on Broadway in the old Herald Square section.

His idea was that if the store would break even, people from out of town would see it and learn about that brand of candy after which he could sell more of it in his territory. Once the store was started, he became interested in trying to make it profitable and added first a soda fountain, then a modest lunch menu. Gradually the food became so much more profitable than anything else he had

to sell that a chain of candy stores with complete meal service was a natural outgrowth.

A STRONG east wind in New York City one afternoon is said to have cost one of the tabloid dailies a loss of many thousands of subscribers for that day. The explanation is that it is customary for tabloids to sell their papers on the strength of one headline in particular across the top of the first page. Those who are subject to the lure of tabloids see some such headline as *Biffs Wife With Brick*, or *Mother Trades Unborn Child*, and promptly buy. If they do not chance to see the headline they forget to buy. On the night referred to the east wind blew back the first pages of the tabloids at news stands on street corners all over town, and thus hid the headlines. Tremendous loss of sales resulted.

A TABULATION by a business bureau of reasons for the discharge of employes from industrial establishments shows that only half as many were dropped for lack of skill or knowledge as for deficiencies in social, moral or character qualities.

A STUDY of intelligence test scores in the United States Navy indicates that deserters are below the mental level of average recruits. Also, intelligence scores of men promoted within a year were ahead of those not promoted.

THE average order received by one of the largest mail-order houses last year was $8—which makes one wonder just what articles costing $8 or less people want most.

ONE of the keen young railroad men of the country was telling me recently of the trouble he had finding a suitable private secretary.

I immediately started to recommend a capable woman I knew.

He interrupted me to say: "I won't hire a woman for that job, no matter how good she is. If she's both attractive and clever, just about the time she becomes well-nigh indispensable, somebody marries her. On the other hand, if she isn't attractive enough for somebody sooner or later to insist upon marrying her, she is probably too somber a bit of scenery for a well-regulated office. Nobody worries about a homely man; if he does his work well, he can stay. But a homely woman is depressing and unsatisfactory."

A GROUP of us got to talking at a dinner about how little one remembers of all he learned or was supposed to learn in school.

"Tell me the most interesting thing you remember out of all the textbooks," one man asked me.

I thought for a time and the only thing I could recall was a paragraph in a book on economics that I read more than twenty-five years ago. The author



Is a business smash coming?

Banker writes prophetic new book on coming revolution in business

"AMERICAN PROSPERITY—Its Causes and Consequences" ***is amazingly frank analysis of the queerly conflicting factors that have caused our present prosperity.***

* * *

TODAY, *"unemployment," "investigations,"* and *"bread-lines"* are front-page news. Is something happening to our much-vaunted prosperity?

Instalment buying is pyramiding. The buying power of a million families has been chopped in half. The economies of mass production are being eaten up by the cost of high-pressure distribution. New "circular" mergers absorb independent business. Europe's borrowings are now so huge it must either dump great masses of cheap goods on our markets or bar American products. Something must be done—or our prosperity is ended.

Nothing could be more timely than this momentous and prophetic book, "AMERICAN PROSPERITY—*Its Causes and Consequences,*" written by a keen, far-sighted banker, Paul M. Mazur, partner in the banking firm of Lehman Brothers.

Mr. Mazur has had an exceptional opportunity to study these tremendous conflicts, entirely uninfluenced by distracting details. His cool, unsparingly frank analysis of these conflicts, their causes and consequences (and solutions), is invaluable if you wish to protect your own interests.

Already the heads of a dozen corporations, fired by the study of Mr. Mazur's book, and realizing instantly its great aid to straight thinking, have ordered copies for all their executives.

If you, too, see the absolute necessity of sizing up what is coming—and how to face it—get this book at once from your bookseller or The Viking Press. The price is $2.50. Clip the coupon as a reminder. Do not delay.

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"Particularly timely . . . by far the best treatment of the present business situation."—VIRGIL JORDAN, *Chief Economist,* NATIONAL INDUSTRIAL CONFERENCE BOARD.

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CHAMBER OF COMMERCE
OF THE UNITED STATES OF AMERICA

was trying to show the necessity of a proper balance between value of services performed and rewards. He said that, in the far west, wolves were once so troublesome and destructive that the government paid a bounty of $5, I think it was, for every wolf killed. What then happened was that the farmers started to raise wolves!

A TRUNK dealer tells me that women about to travel abroad for a few months now take one trunk in place of three or four that they would have taken years ago. This is largely due to compactness of modern dresses. Come to think of it, an ordinary manuscript case ought to hold three or four little knee-length gowns—and, I presume, underwear besides.

IN MOST well-regulated department stores, each department is charged with whatever space it uses from time to time in the show windows.

THE Internal Revenue Bureau has found that of 13,142 estates, investment in stocks was always considerably more than in bonds.

On the whole, the investment in stocks was more than 37 per cent of the total, real estate investment, more than 19 per cent, while bonds were less than 17 per cent.

HIGH prices of real estate in large cities is gradually making it difficult for loafers to find handy places to sit around.

No longer is there room for chairs in the rear of drug stores and even spacious hotel lobbies are passing. In newer hotels where the lobby is comparatively small, a sense of space is sometimes gained by lack of chairs—perhaps only three or four large, uncomfortable throne chairs in a room 30 feet wide.

WHEN you find a man and a woman working at the same job in a business office, the chances are that she is the smarter. If the man were the most capable he would have been promoted.

A SALESMAN of cast-iron pipe has just called my attention to the helpful relation existing between cast-iron pipe and automobiles.

As automobiles extend the area near a large city in which a person may have his home, they also bring a demand for a large area of ground fitted with sewer pipes and water mains. A compact city would be disadvantageous to the pipe industry.

I OBSERVED recently that most quick lunch places in the business section of Sixth Avenue, New York City, are on the west side of the street. This presumably is because the west side is handier to the Broadway section. People living on Fifth Avenue and beyond are less likely to seek food on Sixth Avenue than those living in the other direction.

When the Steer Goes to Market

(*Continued from page 54*)

as a means of warding off evil spirits. Not many gall stones are found in a year, the total being probably only a hundred or two hundred pounds.

Sam probably never gave it a thought that secreted in the body of his steer were a number of glands, some of them no larger than a pea. These were carefully taken out to be used in the manufacture of certain drugs vital to the welfare of the human race.

In the neck were found thyroid and parathyroid glands. Now, the thyroid is the controller of a great deal necessary to health. Too little of it in our youth and we become dwarfs! Too much and many disorders arise.

So these thyroid glands are saved and used to offset the deficiencies of some faulty human bodies.

The parathyroids are tiny but they play a most important part in body processes, as yet not well understood.

Just at the base of the brain the workmen found and saved a little gland about the size of a pea—the pituitary. It is small, but it and the thyroid are said to control the growth of the body, the thyroid having to do with the inner and outer coverings of the body and the pituitary with the skeleton and its supports and muscles.

There are, of course, several other glands of value, including the adrenals, the pineal, the thymus, and the pancreas.

It is from the last named that insulin, one of the newer drugs, is derived.

Interesting Laboratory

I AM NEITHER chemist nor specialist and yet I found in the laboratory of that packing company material and data over which I was tempted to linger far longer than Sam's letter warranted.

Most of us have heard of insulin and know what is done to relieve diabetic patients, but it was news to me when a mild-mannered chemist, clad in a long white frock calmly said, "If your doctor needed a pound of insulin and had to get it for himself, he would have to buy 16,000 cattle to get enough glands to make the pound."

I asked the chemist about some of the other glands and was told that the adrenal gland was one of the most useful to the medical profession. These small glands are found just above the kidneys.

From this is derived adrenalin which, when injected with local anaesthetics, causes blood vessels to constrict and thus prevents too rapid loss of blood. Injections of it also allay the spasms of acute bronchial asthma.

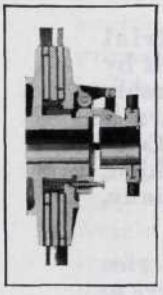
There, too, I was told that recently the lowly liver, that once was thrown in with my order of meat, when I asked for something to feed the cat, had been raised to high estate.

Liver, it seems, contains a most vital element that is of especial value in fight-



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Ferguson International Engineers are building three great projects in Japan . . .

THREE of the most important industrial structures in Japan are now being built by The H. K. Ferguson Company. One, the assembly plant of the Ford Motor Company; another, a second large unit for the Nippon Electric Company, associates of Western Electric; the third, a new plant for the Tokio Electric Company, associates of General Electric.

In each case it was the parent company in America that selected Ferguson international engineers to handle the important project in the Orient.

Like their American associates, the Japanese—whose earthquake hazards require exceptional engineering—have found that they can place their confidence in Ferguson ideals and Ferguson construction.

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Birmingham Office: Title Guarantee Bldg. . *Phone:* 39709
Tokio, Japan Office: Marunouchi Building

Ferguson
ENGINEERS

ing pernicious anemia. It has an almost immediate effect on the blood count and is now in such demand that if Sam could raise his steers and hogs with two livers instead of one he might be able to increase his income.

News stories about the value of liver in the diet has caused it to assume new importance in the American home.

In addition, certain pharmaceutical firms began experimental work on liver extracts, and now several such medicines are on the market. The result has been of benefit not only to the public and the packer but also to Sam and his neighbors who raise live stock.

While I was in the laboratory some one mentioned glue, and so I later traveled over to the far southwest corner of the tract covered by the big packing plant and found the glue factory. Here bits of hide, sinews, tendons, and some of the bones are cooked and boiled down to make glue. And so these parts of Sam's steer were later sold to various industries and used in manufacture. Some of the furniture glued together with this part of Sam's steer went to Canada, some to Mexico.

The hide itself, after a time, was sold to a tannery. It was made up into leather and some of it eventually found its way to England as fine harness. Part also went into a big leather belt that turned the wheels of a publishing house press, some of the books from which were sent all over the world.

Soap and Glycerine Important

MUCH of the fat from that Texas-Indiana steer was of the inedible variety. And part of this inedible tallow found its way to the soap factory. Here it was worked up with other ingredients and made into soap.

But in the working another commercial produce, used all over the world, came into being. Glycerine is one of the by-products of soap making and thus the farmers are, indirectly at least, in the glycerine business.

While I was learning something about the soap business, I found that the packers were using hydrogen gas to harden certain vegetable oils used. My questions about that brought out the fact that in obtaining the hydrogen they released also a supply of oxygen gas. And so this valuable aid both to humanity and to manufacture is procurable in the stockyards.

I did not go into the casing business, nor into the gelatin feature, although these are valuable parts of Sam's steer. I found that the use of most of this material is made possible only because of the large numbers of animals handled. If Sam prepared his own steers and sold the meat, he could save the hides and fats but the rest of it would be lost. The fact that he sells to a larger packer puts him into the class, however, of the international business man.

His wares go all over the world and he should have a deep interest in world business and world affairs.

Knute Rockne Talks on Teamwork

(*Continued from page* 18)

have it—not a thought of organization; no team play.

"This is not to say the French do not excel in sports. In individual sports they do. Witness Rene LaCoste and Suzanne Lenglen in tennis. But they just don't get the idea of team play, at all.

"During that time in France there was much public discussion as to taxation. It was like the old cartoon of a ring of crooks each pointing at the other and saying, 'He's the guilty one.' The French bondholders were saying, 'Don't tax us; tax the merchants and tradesmen.' The merchants said, 'Don't tax us; tax the peasantry.' And the peasants joined in the chorus, saying, 'Not us, but the bondholders and merchants should pay the tax.' Never a thought of undertaking public duties and public burdens in common—no teamwork."

The Hazard of Teamwork

HERE I interposed a question. "What's the greatest danger to effective teamwork after you have all the prima donna complexes safely in harness?"

There was no hesitancy in the answer: "Cocksureness, overconfidence, is the rust that corrodes teamwork. The team—the organization—must keep that state of mind described by Dr. Gus W. Dyer of Nashville, who tells of the darky who says one, nowadays, must 'run like de debbil to stay where he's at.'

"We'd been East, one fall. Victory everywhere. Cheers from the stands. Eight-column streamers in the newspapers. Pictures in the sport sections.

"That scared me.

"The boys were told so often how good they were that they began to believe it, themselves. Then we went West—both figuratively and literally. Played Nebraska. During the first half the Cornhuskers walked through us as if our lines had been of Philadelphia cream cheese. At the end of the half the score was 14 to 0.

"Between halves I said to one of the boys, in earshot of the rest, 'Do those birds know who you are? Surely not. They'd be more genteel if they knew. Why didn't you stop that burly, who knocked you for a loop, long enough to invite him to tea between halves so you could have introduced yourself and the other young ladies of your team? These Huskers wouldn't be so rude if they really knew who you are. Why don't you show them your newspaper clippings from the East?'

"That was enough. Next half they played football. Held the Huskers scoreless and scored 7 themselves."

Rockne sticks with Shakespeare that there is sweetness in the uses of adversity.

"It's in adversity," he said, "in defeat



Front half of cast-iron blower housing weighing 30½ pounds.



Pressed steel blower housing weighing 12¼ pounds.

25% increased efficiency *by changing this blower housing to* Pressed Steel

Something unexpected! This manufacturer asked YPS engineers to redevelop his cast-iron blower housing into pressed steel—he looked for savings, he looked for product improvement—and, *in addition to these advantages, he discovered that the smoother inside surfaces of the pressed steel housing increased his fan efficiency 25%!*

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"Adventures in Redesign" is a book that tells the story of equally remarkable savings made in practically every branch of industry by the use of pressed steel parts. Ask your secretary to write for a copy or use the coupon.



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Company.....
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and materials



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INDUSTRIAL DEVELOPMENT
IN SOUTH AFRICA

issued under authority of the Government of the Union of South Africa.

This interesting text in this 231-page book is interspersed with unusual illustrations, maps, diagrams, and tabulations. It gives a most complete picture of South Africa, its varied natural resources, industries, and its potential possibilities for further industrial development.

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that the real value of teamwork is revealed. During the last half at Lincoln, those boys I'd rubbed raw, razzing them about their laudatory newspaper clippings and all that, settled into their game and proposed to show me—and themselves—that they could let the world know who they were without the aid of print! Victory, of course, is always desirable, but it's defeat that reveals whether the team is sterling metal or just cheap plated stuff.

"Then teamwork instills the conviction that, no matter what the score, the game's never over until the last split second of play; that there's always a chance until the very end. Teamwork makes for that balance and poise which keeps a team from knowing it's licked before the whistle blows. Moreover, teamwork does not put a premium on mediocrity. On the contrary, it demands and discovers and develops leadership. He who would lead must first learn the value of discipline. Nothing truer was ever said. And the way to learn discipline is to learn to obey—to obey the rules of the game, the canons of good sportsmanship, and the rules laid down for individual conduct as a member of the team.

Discipline Always Useful

"NOW and then it has been said to me, 'Isn't it too bad that all this excellent training is lost after four years of collegiate life?' That's a mistake. Training in discipline is never lost, especially in a democracy such as ours. Whatsoever teaches proper subordination; whatsoever instills the principles of cooperative and coordinated action; whatsoever fosters the spirit of fair play and its fine code is most excellent preparation for the business of citizenship and indeed for the business of life and its activities and responsibilities."

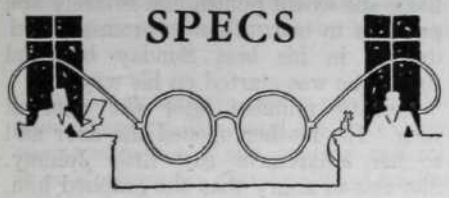
Asked to extend this doctrine and practice of teamwork to present problems of business organization and community development, the football strategist became at once a strategist:

"You've heard about the shoemaker sticking to his last, haven't you?" he asked.

Familiarity with the saw was reluctantly admitted.

"Well," said Rockne, "I'm an athletic director, not a business man nor an economist, yet without a doubt this principle of teamplay has its place in the business scheme of things. Particularly in this day of rapid, almost revolutionary changes in our economic and commercial processes, it seems almost axiomatic that business and communities must have the broad vision of organization and the courage of group action and the close interplay of teamwork if they are successfully to meet the challenges of new conditions. Many words have been written on this subject, none more apt, perhaps, than those of Dr. Charles Steinmetz, the electrical wizard, 'Cooperation is not a sentiment; it is an economic necessity.'"

THROUGH THE EDITOR'S SPECS



THE Plain Talker came in the other day. He hadn't been in for a long time and he said there was nothing on his mind. I like the Plain Talker for one thing. He has never prefaced a story by "Stop me if you've heard this one." Finally he drifted around to business. He said:

I see that you've been having a wholesale conference down here. Fine. We need conferences, and also I think there was talk of simplified distribution. Again fine. I'm for it.

But it's not new. The simplifiedest distribution I ever knew was back in the town where I was born up in Vermont. You never knew Henry Russell, Hen ordinarily? No—well, I'm not surprised. He was the real pioneer of simplified distribution, of cash and carry, of the cafeteria, the modern department store and most other things in distribution.

Hen had about the best store in town. In fact it was the only one as far as I remember. It was what you'd call a general store, and, believe me, it *was* general. Groceries here and hardware there; boots and shoes and clothing and drugs and furniture and coffins and playing cards and writing paper and rat traps. You know the kind of place. Hen never heard of turnover or overhead, but he did believe in simplified distribution.

When I tell you that the local humorists called him "Settin' Hen" you'll know what kind of a merchant he was. In summer he tipped back a chair against the front wall and in winter put his feet on the stove until the shoe leather began to scorch.

When you wanted a box of tacks and a pair of shoes, he said:

"The tacks are over there in the drawer next to the one marked 'Screws, sizes 6, 7 and 8,' and if you'll try on a pair of them shoes on the bottom row, I think you'll find a pair that's about right. And how's Emily? And did you hear that Rev. Smith may leave? He's got a call to Thompson Corners."

And there you were, simplified distribution, cash and carry and cafeteria service all in one. And were we satisfied? Not a bit. We always talked about going to the next town for things.

The trouble is that we don't want simplified distribution. We want to be waited on and we're ready to pay for it. I get sicker than you do at hearing that word "service," but we can't get away from it and we don't want to.

IT WASN'T the Plain Talker, but another visitor who told this story:

A small boy was addicted to the use of naughty words. His mother had protested without much success. He was invited to attend a party. His mother told

2 Plants Managed from 1 Office *with the aid of this speedy* TELEGRAPHING TYPEWRITER



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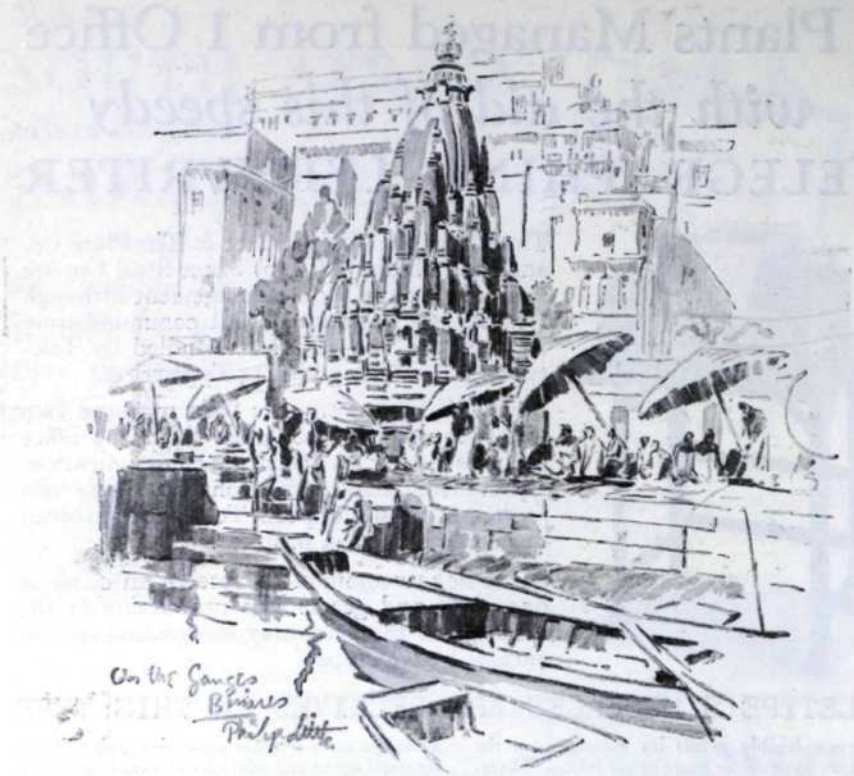
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Then you enter the life of this gay and joyous people. Japan is a land of festivals and a land of progressiveness as well.

The lure of China is the lure of the ancient East. See her temples, her people. Shop here in quaint bazars for ivories, laces and jade; for silks, batiks and rare embroideries.

On we go to Manila, reminiscent of Old Spain. Malaya, Ceylon and India beckon to new adventures, as interesting as those behind us, but wholly different.

Round the World to Egypt, to Italy and France.

Palatial President Liners to take you in complete comfort. All rooms are outside. Beds, not berths. Spacious decks. A swimming pool. Public rooms large and luxuriously appointed. A dining service unexcelled, world travelers tell us. Optional stopovers.

An American Mail Liner sails every fourteen days from Seattle and Victoria to Japan, China and Manila.

A Dollar Liner sails every week from Los Angeles and San Francisco for the Orient via Honolulu and Round the World. Fortnightly sailings from Boston and New York for the Orient via Havana, Panama and California. See the Pacific Coast.

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4TH AT UNIVERSITY, SEATTLE, WASH.

him he could go if he would promise not to use a bad word. And, furthermore, that she was going to tell Mrs. Smith that if he used a bad word to send him home immediately, and when he got home she would punish him severely and put him to bed. Johnny promised and, dressed in his best Sunday bib and tucker, he was started on his way.

Twenty minutes later the doorbell rang. His mother opened the door and to her amazement saw little Johnny. She was so angry that she grabbed him, yanked his clothes off, spanked him and put him to bed.

Johnny was sobbing violently. His mother said, "I do not feel a bit sorry for you. You understood the conditions, you promised not to use a bad word. What was the word you used?"

Between his sobs Johnny replied: "I didn't—use—a—bad—word. The dam party was yesterday."

And when I asked the moral the visitor said there wasn't any. "But," he added, "a lot of American Business is being spanked for going to the dam party a day late and nobody is going to listen to excuses, either."

BUSINESS men have been accused of lacking a sense of humor. Nothing is further from the truth, as witness these quirks on current events, culled from our mail and reported faithfully from conversations with our visitors:

BY THE time the Government gets around to selling Muscle Shoals fertilizer at cost it ought to be possible for the farmers to raise wheat at about $6.25 a bushel.

THE threatened strike of the Pullman car porters discloses George for the first time showing his fist instead of his palm.

AN IOWA judge has held that a radio is a musical instrument. Then, we had an evening last week that was plainly in contempt of court.

A MANUFACTURING association bulletin says the American woman shows more variety in her dress than does her European sister. And that isn't all.

• WE MODERN cities, with our zoning ordinances, think we are up to date. But Adam and his family had to move because they didn't live up to residence district requirements.

IF THE children of the town's most respected family have to watch Mother and Dad when there's company, lest they talk of the time they worked side by side down at the vinegar factory, that is America, Son.

A BUG for statistics says the American business man is getting to work 22 minutes earlier now than five years ago. He has to, to find a parking place.

D. H. FERRIN, president of the Century Company, wants a new word for

When writing to the above steamship lines please mention Nation's Business

"efficiency." Well, what's the matter with "bureaucracy"?

THERE's some little discussion about when a man's business is successful. We'd say it's about when the Government designates a bureau to help him conduct it.

AMERICAN tobacco now is used in Chinese cigarets. Ere long we may have testimonials from the leading general, Woo Wu Soandso, that he always smokes a Cofferdam cigaret before going over to the other faction.

INDIA has a great road paving program on now. "On the road to Mandalay," the old pagoda may become a filling station.

DR. AUSTIN F. MACDONALD, who professes political science at the University of Pennsylvania, has written, and the Thomas Y. Crowell Company has published, a book called "Federal Aid." I wish business men would read it. Not that they need agree with the author, who is frankly for federal aid and more of it, but for the picture it presents of federal activity in the states. Here's one table:

FEDERAL AID PAYMENTS TO THE STATES FOR THE FISCAL YEAR 1927

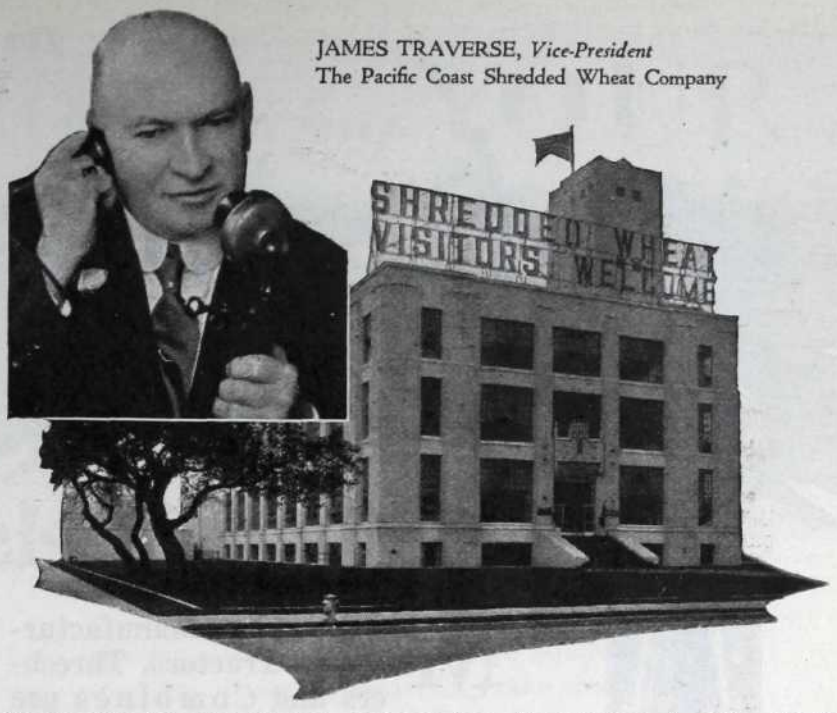
Support of agricultural colleges	$2,400,000.00
Support of experiment stations	2,400,000.00
Cooperative agricultural extension work	*6,875,727.55
Vocational education	7,184,901.51
Vocational rehabilitation	880,263.00
Highways	81,371,013.03
National Guard	31,363,935.31
Forest fire prevention	654,101.57
Distribution of nursery stock	71,194.61
Forest extension work	46,241.64
Maternity and infant hygiene	899,824.71
State fund under oil leasing act	2,498,689.58
State fund from sale of public lands	*13,893.96
Total	$136,659,786.47

* 1926.

In 1912 the federal aid payments to the states were $8,149,478.21. Nineteen twenty-seven shows an increase of 1,700 per cent in 15 years, in which period our population has increased from 92,000,000 to 118,000,000, or less than 30 per cent.

NEARLY 200,000 reprints of NATION'S BUSINESS articles were ordered and paid for in 1927. Most of them were of articles published that year, but one order was for 15,000 copies of an article we published three years ago. In all, some 50 articles found their way to wider notice and their average circulation was about 5,000.

More than that, no week passes without requests from other periodicals for permission to reprint articles from our



JAMES TRAVERSE, *Vice-President*
The Pacific Coast Shredded Wheat Company

"SELLING BREAKFASTS"
To the Pacific Coast

OVER 10,000,000 people on the Pacific Coast are prospects for breakfast food as for other products. "In reaching this market quickly, efficiently and economically," says James Traverse, Vice-President of the Pacific Coast Shredded Wheat Co., "our Oakland location is ideal. From here we enjoy the following advantages:

Population

"Oakland is located in the exact center of population of the eleven western states. It is also the center of a metropolitan area containing over a million and a half people.

Distribution

"Freight rate advantages make it more economical to serve the Pacific Coast from Oakland than from any other single location. Ample deep-water harbor facilities enable shipments to coast points as well as to Oriental markets.

Labor

"The fact that 60% of the workers own their homes, coupled with an ideal working climate, schools and recreation grounds, makes Oakland one of the best labor markets in the United States.

Power

"Electrical power for manufacturing purposes is plentiful and moderately priced. Also, this territory is one of the largest oil refining centers of the world, assuring an abundance of this fuel for manufacturing purposes."

BOOKLET on Request
What Other Manufacturers Say:

If you are interested in marketing or manufacturing on the Pacific Coast, you will find the booklet "We Selected Oakland" most valuable. It contains statements by nationally-known manufacturers and others based on their actual experiences in the growing industrial section of Alameda County. Everyone interested in the trend of commerce should have this booklet. A copy will be mailed you for the asking. *A technical industrial report will be prepared for any interested manufacturer on request.*

Write Industrial Department

Oakland Chamber of Commerce, Oakland, California

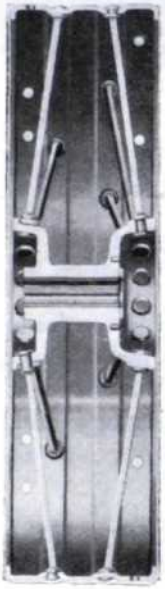
or the Chamber of Commerce of any of the following cities:

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MANY leading manufacturers of Tractors, Threshers and Combines use French & Hecht Steel-Spoke Wheels as standard equipment.

They know French & Hecht Steel-Spoke Wheels are mechanically correct for every application because French & Hecht engineers develop and design Steel Wheels for more machines than any other organization in America.

They know that French & Hecht method of construction assures maximum strength and rigidity. The spokes are fastened to hub and tire by a process of forging and riveting—a method mechanically superior to any other. These structural features and refinements are exclusively French & Hecht features.

The vast experience and facilities of French & Hecht in designing and building Steel-Spoke Wheels make it possible to supply manufacturers with superior wheels, usually at a saving in cost.

The important features that distinguish French & Hecht Steel-Spoke Wheels are:

Extreme accuracy in construction.

Each spoke is heated and forged in the hub with the end headed on the inside and a shoulder formed on the outside—similar to a boiler rivet.

The spoke is secured to the tire with a head riveted on the outside and a shoulder forged on the inside.

The grooved and flanged tire was originated by French & Hecht.

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magazine. More than three each month find this added audience.

Secondary circulation plays a big part in our task of spreading sound economics and impressing on business and on the public, that business is for the most part honorable and fine—that it must constantly raise its standards.

MORE than one of our readers have risen to protest against Julius Kahn's statement in our February number, that we needed more, not less, government regulation. One reader, Montgomery Mulford, voices his comment in these words:

> Mr. Kahn differentiates between government regulation in industry, and government operation of business. He says we need the former, but not the latter. Is this so? I think not! Government is likely to take too much for granted and, given a little leeway, will usurp much more. Government and business, like government and religion, should be two independent—and not interdependent—institutions.

ON THE bill of fare of the hotel was this line:

Sauerkraut juice, 30 cents.

"Gosh," said the Business Manager, a man who hailed from the sauerkraut and pretzel belt of Pennsylvania, "I'll bet my family must have wasted $11,000 at that rate before I was eleven years old."

"Only another case of liver," said the salesman. "Calves liver was 90 cents a pound the other day. I can remember when 90 cents' worth of liver was a truck load. Now doctors and their vitamins are finding it new markets."

STATISTICAL "averages" always have brought to me a sense of disquietude. When the government experts tell us that the average income of a farmer, for example, is so many dollars, I wonder. I have been more inclined to agree with Don Marquis, who said that the average person is always a little bit above the average, especially since our great contemporary, the *American Magazine*, having found the average man, gave him so much publicity that he immediately left the ranks of the "average" and joined the nation's "400."

Now comes an experience which proves that I have been right all along in my skepticism.

Riding from Washington to Chicago on the Broadway, I casually asked the car porter what was the average tip for the run. The porter replied, "A dollah, suh; one dollah."

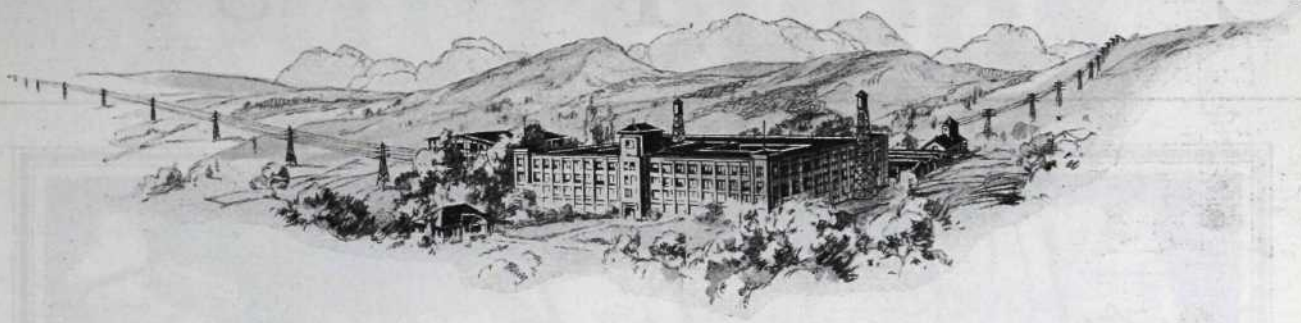
Upon getting off at the Chicago station, I gave the porter a dollar, whereupon he was so effusive in his thanks that I suspected something, and cross-examined him:

"Didn't I understand you to say that the average tip is a dollar?"

"Yas, suh; yas, suh," he replied, "but you's the fust ge'man what has ever come up to the average."

M. T.

IS THIS KIND OF COMPETITION *facing* YOUR BUSINESS?



COMPETITION is the life of industry. It supplies the urge to modernize antiquated equipment and processes. It makes ownership take stock of management. It sets new production standards. But what of the manufacturer who has kept pace with every present-day development?

Neither modern equipment, nor revamped processes, nor alert management can overcome competition that has these advantages:

You Should Know What

Piedmont Carolinas has to offer you advantages in:

Labor
Raw Materials
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Markets
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Get all the facts. You will find them presented in brief, readable form in *Piedmont Carolinas, Where Wealth Awaits You.*



(Check them off against the conditions you face now.)

- ☐ Close access to raw materials and markets.
- ☐ Willing labor, unhampered by any artificial restrictions on output; native born of old pioneer stock and not imbued by un-American ideas or ideals.
- ☐ Transportation that suffers no congestion nor seasonal tie-ups due to winter storms.
- ☐ Low overhead, due to low-cost land and construction.
- ☐ Production costs, based on all factors, that average much *less* than other parts of the country.

WHEN it is time to rebuild, to replace a large part of your plant and equipment, *then* it is time to re-locate in Piedmont Carolinas. Seventy-two times during the past twelve months that step has been taken by manufacturers who have visualized the competitive era of the near future. A new plant coming here on the average of once every five days!

Do you want facts, figures, detailed data? Tables of raw material supplies, wage scales, hours, of labor, costs, etc., etc., together with information as to climate and living conditions?

You will find it all in the book, *Piedmont Carolinas, Where Wealth Awaits You.* Brief. Condensed. Send for it today.

Address our Industrial Department, Room 114, Mercantile Building, Charlotte, N. C. Your request will be attended to promptly and courteously.

CLIMATE and LIVING CONDITIONS

The summer average temperature of Piedmont Carolinas is the same as that of Pennsylvania and southern New York State. Its winter averages 20 to 25 degrees warmer. It averages 30 to 40 fewer rainy days a year. That means more sunshine and more health.

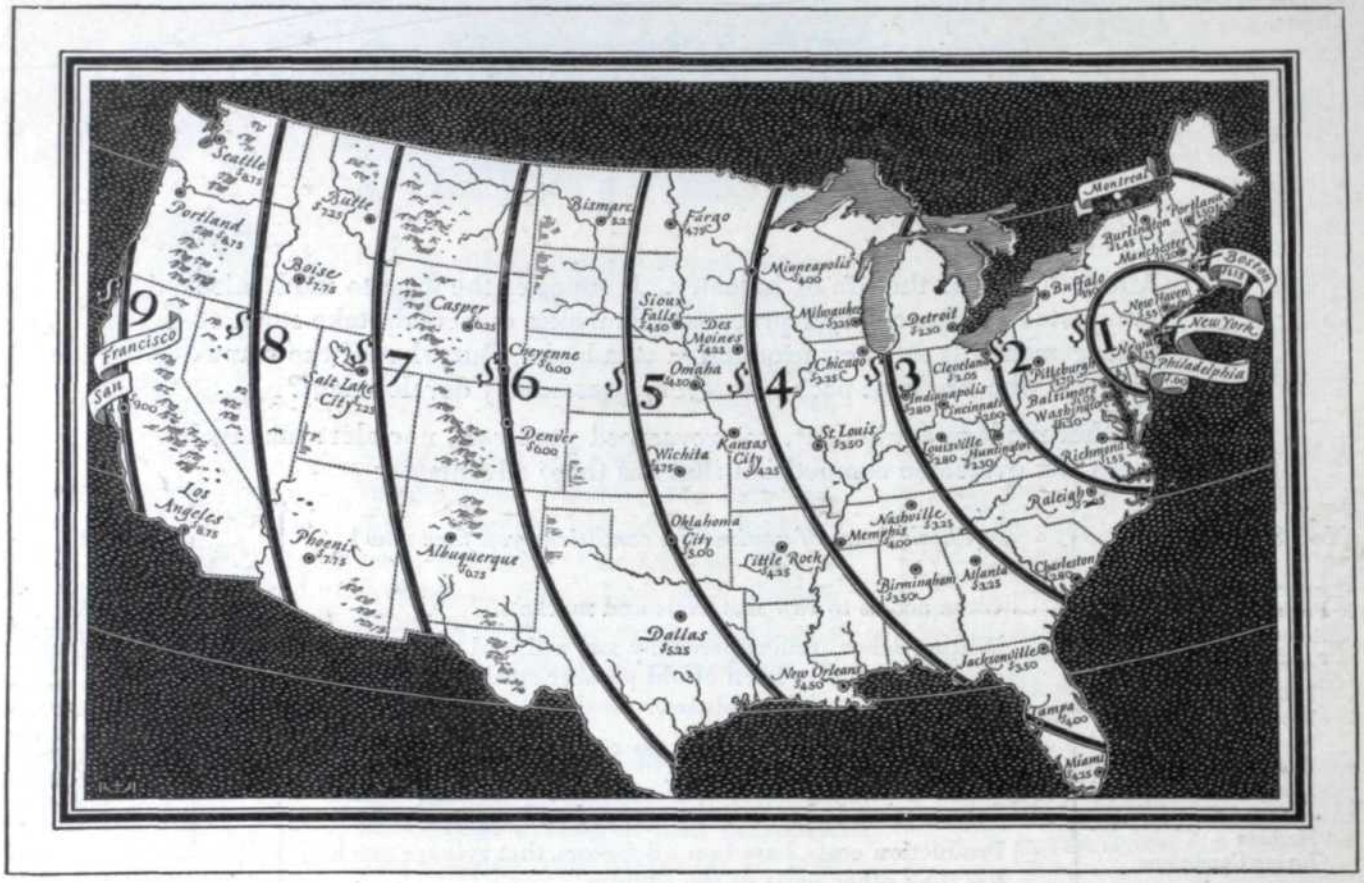
Schools are modern. Towns are the counterpart of those in thriving sections of the Middle West, progressive yet uncongested. There is a fine spirit of neighborliness and welcome for the newcomer, and people here are prosperous and able to enjoy pleasant living.



DUKE POWER COMPANY

SOUTHERN PUBLIC UTILITIES COMPANY AND OTHER ALLIED INTERESTS

Coast to Coast now only $9.00 Cleveland to Pittsburgh 80¢



An Advertisement for Bell Long Distance Telephone Service

THE station to station day rate for the longest telephone call you can make within the United States is now only $10.00. From San Francisco to New York is only $9.00. From St. Louis to Chicago is only $1.45. From Newark to Philadelphia is only 60 cents.

An average of 2,614,000 toll and long distance calls are now handled daily by the Bell System. The purchasing agent of a large western manufacturer called his general storekeeper from New York, 2800 miles away. He secured information that enabled him to make a purchase saving his firm $250,000.

The Cheyenne, Wyoming, manager of a farm machinery house made seven long distance calls to Nebraska and Colorado points. Within an hour's time he sold 25 threshers for $50,000.

A Missouri fruit company calls each of its dealers at regular intervals and gets their orders by Long Distance.

The time and money saved by Long Distance is summed up by a Chicago lumberman. He says: "The toll to Milwaukee is 80 cents. Average cost of making the trip, $10.00. Detroit toll is $1.80. A trip would cost $25.00 or more."

What long distance calls can you profitably make now? You will be surprised how little they will cost. . . . Calling by number takes less time. . . . . *Number, please?*

AMERICAN TELEPHONE & TELEGRAPH CO. AND ASSOCIATED COMPANIES — BELL SYSTEM

Accounts Receivable

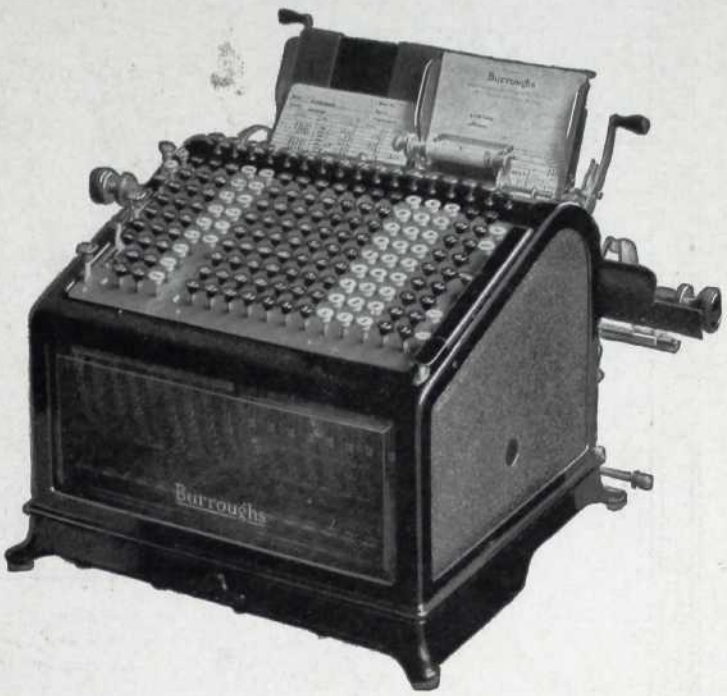
on a

Burroughs

Burroughs Automatic Bookkeeping Machine

Machine illustrated posts original ledger, original statement and furnishes proof-journal in a single operation.

Similar styles post combinations of two or more records and furnish proof-journal on accounts receivable or payable, payroll, distribution, general ledger and other records.





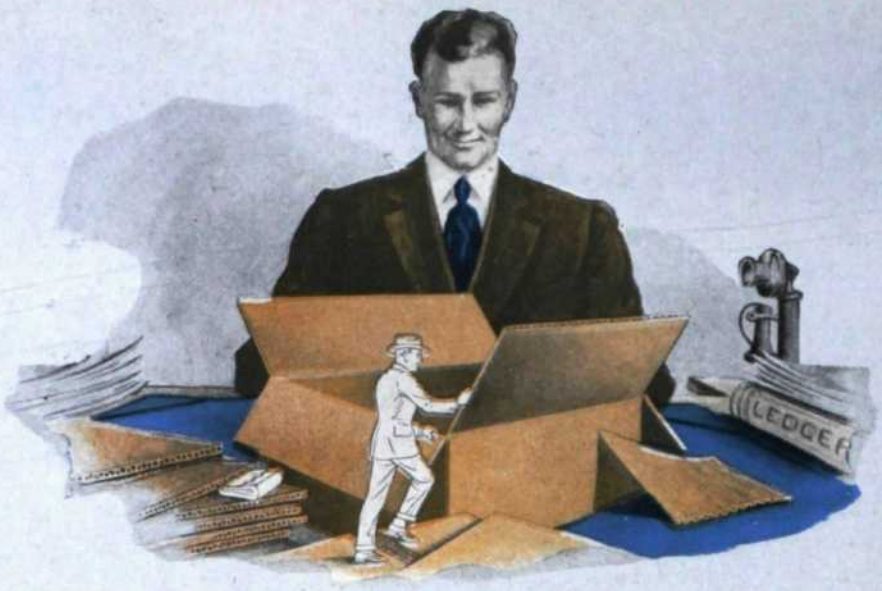
Burroughs Moon-Hopkins Typewriter Bookkeeping Machine

Combines standard automatic features of Burroughs Bookkeeping Machines with ordinary typewriting. It posts itemized statement, itemized ledger and itemized proof-journal—or other combinations of records—in a single operation.

BURROUGHS ADDING MACHINE COMPANY

DETROIT, MICHIGAN

ADDING · BOOKKEEPING · CALCULATING AND BILLING MACHINES



Glad to Prove It!

IF you believe in saving all the money possible on packing and shipping costs, send for an H & D Package Engineer. He will gladly show you how to effect substantial economies in your packaging.

Fragile glassware, delicate instruments, electric motors, heavy paint cans, live baby chicks—these and hundreds of other products of all sizes, shapes and weights, have been packed in specially designed H & D Corrugated Fibre Shipping Boxes and shipped safely to the four corners of the nation—at a saving over previous methods.

An H & D Package Engineer will be glad to prove he can save you money—at no cost to you. Write now and secure real proof.

THE HINDE & DAUCH PAPER COMPANY
304 Decatur Street .. *Sandusky, Ohio*

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